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# **Health Care Appropriations Committee**

**Thursday, January 12, 2006  
9:00 a.m. – 12:00 p.m.  
Morris Hall (17 HOB)**

## **Action Packet**

**COMMITTEE MEETING REPORT**  
**Health Care Appropriations Committee**

**1/12/2006 9:00:00AM**

**Location:** Morris Hall (17 HOB)

**Attendance:**

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Aaron Bean (Chair)	X		
Kevin Ambler	X		
Anna Holliday Benson	X		
Dean Cannon	X		
Frank Farkas	X		
Bill Galvano	X		
Anne Gannon			X
Rene Garcia	X		
Hugh Gibson	X		
Michael Grant	X		
Denise Grimsley	X		
Dorothy Hukill	X		
Dave Murzin	X		
Curtis Richardson	X		
Yolly Roberson			X
Eleanor Sobel	X		
<b>Totals:</b>	<b>14</b>	<b>0</b>	<b>2</b>

Committee meeting was reported out: Thursday, January 12, 2006 12:53:23PM

**COMMITTEE MEETING REPORT**  
**Health Care Appropriations Committee**

**1/12/2006 9:00:00AM**

**Location:** Morris Hall (17 HOB)

**Other Business Appearance:**

**CBC Equity**

Lucy D. Hadi, Secretary (Lobbyist) (State Employee) (At Request Of Chair) - Information Only  
Department of Children & Families  
1317 Winewood Boulevard  
Tallahassee Florida 32399-0700  
Phone: (850) 921-8533

**CBC Equity**

Lee Johnson, CEO (General Public) - Information Only  
Sarasota YMCA

**Equity & MEDS-A/D**

Karen Koch, Director of Policy (General Public) - Information Only  
Florida Council for Behavioral HealthCare  
316 East Park Avenue  
Tallahassee Florida 32301  
Phone: (850) 224-6048

**Equity Funding**

Chet Bell, CEO (General Public) - Information Only  
Stewart Marchman Center, Inc.  
3875 Tiger Bay Road  
Daytona Beach Florida 32124  
Phone: (386) 947-1480

**Equity Funding for Mental Health & Substance Abuse Services**

Ken DeCerchio, Assistant Secretary for Substance Abuse & Mental Health (Lobbyist) (State Employee) (At Request Of Chair) - Information Only  
Department of Children & Families  
1317 Winewood Boulevard  
Tallahassee Florida 32399  
Phone: (850) 414-9063

**Equity in Community Based Care Funding**

Melissa Jaacks, Assistant Secretary for Administration (State Employee) (At Request Of Chair) - Information Only  
Department of Children & Families  
1317 Winewood Boulevard  
Tallahassee Florida 32399  
Phone: (850) 488-6062

**Healthy Start**

Carol Brady, Executive Director (At Request Of Chair) - Information Only  
Florida Association of Health Start Coalitions  
6850 Belfort Oaks Place  
Jacksonville Florida 32216  
Phone: (904) 279-0620

Committee meeting was reported out: Thursday, January 12, 2006 12:53:23PM

**COMMITTEE MEETING REPORT**  
**Health Care Appropriations Committee**

**1/12/2006 9:00:00AM**

**Location:** Morris Hall (17 HOB)

MEDS-A/D

Sybil Richard, Assistant Deputy Secretary for Medicaid Operations (Lobbyist) (State Employee) (At Request Of Chair) - Information Only

Agency for Health Care Administration

2727 Mahan Drive

Tallahassee Florida 32308

Phone: (850) 414-7332

Title IV-E Waiver

Don Winestead, Deputy Secretary (Lobbyist) (State Employee) (At Request Of Chair) - Information Only

Department of Children & Families

1317 Winewood Boulevard

Tallahassee Florida 32399-0700

Phone: (850) 487-1111

Title IV-E Waiver

Steven J. Murphy, President & CEO (At Request Of Chair) - Information Only

Partnership for Strong Families

315 SE 2nd Avenue

Gainesville Florida 32601

Phone: (352) 393-2740

Committee meeting was reported out: Thursday, January 12, 2006 12:53:23PM

**COMMITTEE MEETING REPORT**  
**Health Care Appropriations Committee**

**1/12/2006 9:00:00AM**

**Location:** Morris Hall (17 HOB)

**Summary:** No Bills Considered

**Committee meeting was reported out: Thursday, January 12, 2006 12:53:23PM**



# Florida's Healthy Start

Communities Working for  
Healthy Mothers, Babies & Families

January 12, 2006



## Background

- Florida ranked in bottom third of states in infant health & well-being
- Healthy Start passed in 1991 with strong bipartisan support
- Public-private partnership to improve infant health & well-being



## Services

- Universal screening of pregnant women & newborns
- Provision of care coordination, other services to reduce risks and improve chances of healthy outcome
- 42,000 pregnant women & 22,000 newborns served (2004-05)



**HEALTHY  
START**

## Healthy Start Works!



- Infant mortality decreased nearly 20% during first 5 years of program.
- More pregnant women received prenatal care.
- State's IM ranking improved (from 32 to 24 in 2002)

## Healthy Start Works!

*" My Healthy Start nurse always had an answer for every question I had in caring for my son."*

*" I had a lot of problems. . .  
The Healthy Start people  
helped me straighten  
everything out..."*

*" I breastfed my daughter  
for one year with the help  
of the Healthy Start  
teacher. She supported me  
through it all."*



## Unique Approach

- Local coalitions make decisions about state funding
- Community planning, service delivery and oversight
- Leverage state resources (\$12+m for problems such as teen pregnancy, single parenthood, health disparities, substance abuse, uninsured pregnant women and SIDS)

**HEALTHY  
START**

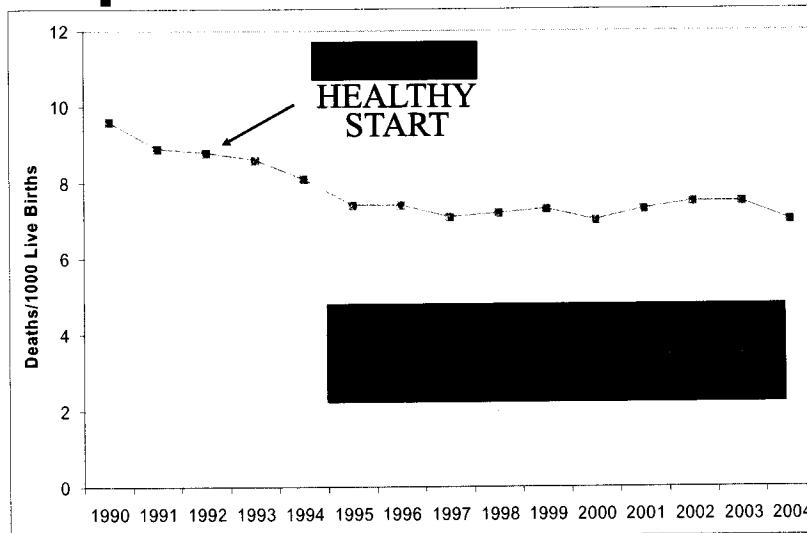


## Funding for Services

- 1991 appropriation for services: \$25m
- 1997 funding provided to expand services for infants up to age 3: \$3m
- 2001 Coalitions and DOH leveraged base funding to provide more services to those at highest risk: \$11m (Medicaid waiver)

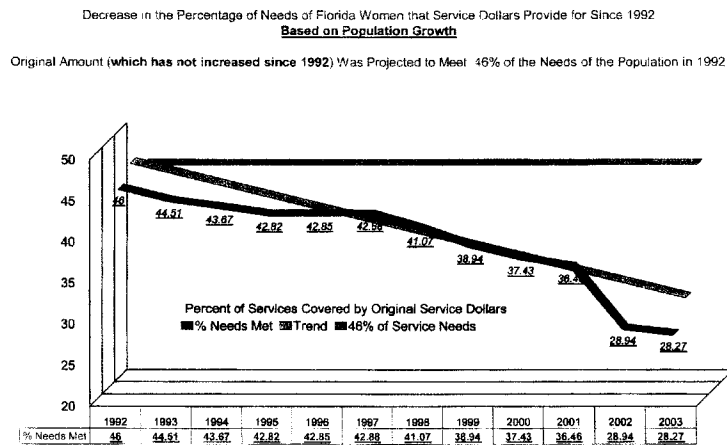
  
HEALTHY  
START

## Impact



## Why?

- Resources have not kept up with need
  - Births increased (+28,900 since 1992)
  - Increased costs to deliver services
- Initial funding met 46% of need
- 18,500 fewer pregnant women and 21,000 fewer infants received services (1995/96 vs. 2004/05)



Healthy Start Coalition St. Lucie County, Inc. Source: Florida Vital Statistics Annual Reports 1992 - 2001, 2002 & 2003 are Estimated Populations Florida DOH Office of Planning Evaluation and Data Analysis 12002 Birth Info 2001 Slide 18  
 (formula = 1992 base of 46%, % change in female population decreased from 46% for 1993, subsequent years % change subtracted from prior year's % needs met)

## Investment Needed

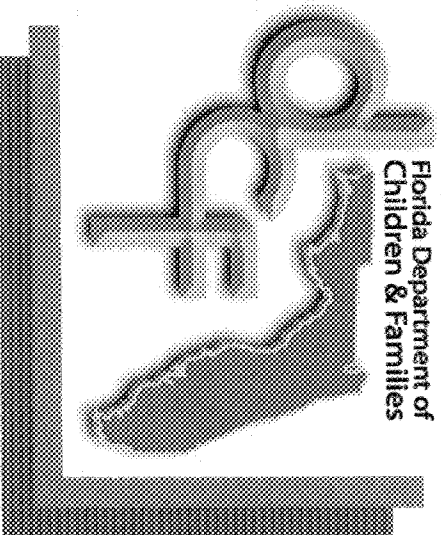
- Healthy babies save the state money
  - NICU costs
  - Special education
  - Social services
  - Long-term costs
- Healthy Start is a successful *statewide* program implemented by *communities*



## We can do *much* more with a *little* more. . .

- **\$9.5 million** in additional state funding would enable the program to serve **28,900+ more families**
- Coalitions will **leverage** these resources through Medicaid & other funding so families get the services they need
- Please consider **additional investment**
- **Thank you**





# **Equity in Community- Based Care Lead Agencies**

Presented to:

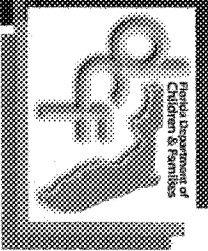
House Health Care Appropriations Committee

Presented by:

Melissa Jacks,

Assistant Secretary for Administration

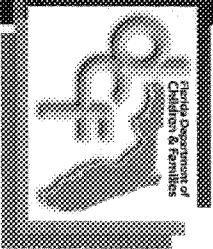
January 12, 2006



# What is Equity?

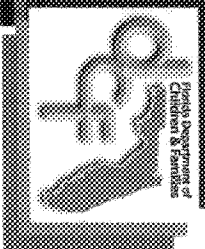
## •2005-2006 proviso states:

From the funds in Specific Appropriation 303, the sum of \$10,500,000 is to be distributed to community-based care lead agencies and Department of Children and Family Services districts and regions to achieve improved equity with respect to the total foster care and related services funding. These funds shall be distributed to lead agencies, districts and regions receiving an amount below the statewide average budget per child to achieve a more equitable distribution of funds. Community-based care lead agencies and department districts and regions not meeting the criteria for receiving additional equity funds shall not receive additional funds from Specific Appropriation 303, but shall be held harmless from budget reductions.



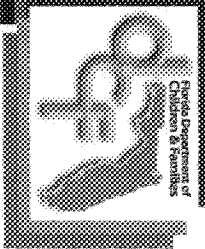
## How has the Department implemented this proviso language?

- Average budget per child equals:
  - Total budget available to community-based care agencies, excluding maintenance adoption subsidy
  - Divided by the three-month average number of children being served (February-April)
- Average fluctuates daily with any change in number of children



# History of Equity - Overview

Fiscal Year	Beginning Statewide Average	New Funding	Ending Statewide Average
2004-2005	\$ 10,537	\$23,556,801	\$ 11,011
2005-2006	\$ 11,453	\$10,500,000	\$ 11,673
Current*			\$ 11,721
* Based on July-September Child Count			



# History of Equity - Detail

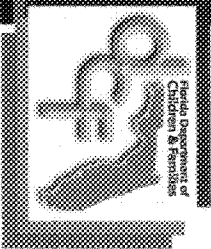




District/ Region	Lead Agency (Service Area)	FY 04/05 Base \$ per Child (1)	Equity Approp: \$23,556,801		FY 05/06 per child achieved post-AOB (3)	Est. avg. children served	
			FY 04/05 \$ per Child Achieved (1)	End of Year 2004/05 \$ per Child (2)		(1) Begin 04/05	(2) End of Year 04/05
1	Lakeview Center, FamiliesFirst Network	\$7,159	\$8,485	\$9,172	\$9,507	2,957	2,703
2A	Big Bend CBC West	\$9,921	\$10,162	\$9,304	\$9,607	1,034	1,109
2B	Big Bend CBC East	\$9,580	\$9,956	\$11,645	\$11,645	1,041	913
3	Partnerships for Strong Families	\$9,178	\$9,711	\$10,785	\$10,785	1,893	10,785
4	Baker-Clay/Clay Kids Net, Inc.	\$13,419	\$13,419	\$14,306	\$14,306	476	449
4	Family Support Services of North Florida, Inc.	\$10,936	\$10,936	\$9,864	\$10,029	2,607	2,905
4	Nassau Board of County Commissioners	\$14,148	\$14,148	\$11,502	\$11,502	139	172
4	St. Johns County Board of County Commissioners	\$13,564	\$13,564	\$13,921	\$13,921	287	281
7	Community-Based Care of Brevard County, Inc.	\$12,377	\$12,377	\$13,843	\$13,843	1,530	1,374
7	Community-Based Care of Seminole County, Inc.	\$17,143	\$17,143	\$18,297	\$18,297	641	603
7	Family Services of Metro Orlando, Inc.	\$11,404	\$11,404	\$12,964	\$12,964	3,663	3,237
8	Children's Network of SW Florida (Div. of Camelot Community Care)	\$11,591	\$11,591	\$11,790	\$11,790	1,662	1,636
9	Child and Family Connections, Inc.	\$12,153	\$12,153	\$15,382	\$15,382	2,267	1,800
10	ChildNet, Inc.	\$16,256	\$16,256	\$17,329	\$17,329	3,405	3,204
11	Our Kids of Miami-Dade/Monroe, Inc.	\$13,062	\$13,062	\$15,084	\$15,084	5,780	5,016
12	Partners for Community-Based Care, Inc.	\$9,943	\$10,176	\$11,726	\$11,726	1,779	1,540
13	Kids Central, Inc.	\$7,861	\$8,911	\$6,996	\$7,866	3,268	4,145
14	Heartland for Children	\$6,715	\$8,215	\$9,353	\$9,644	3,549	3,083
15	United for Families, Inc.	\$7,477	\$8,677	\$7,692	\$8,390	1,677	1,883
23	YMCA South (DeSoto-Manatee- Sarasota)	\$16,010	\$16,010	\$17,831	\$17,831	1,195	1,089
23	Hillsborough Kids, Inc.	\$8,899	\$9,542	\$9,327	\$9,624	4,681	4,778
23	YMCA North (Pinellas-Pasco)	\$8,183	\$9,107	\$8,987	\$9,368	4,112	4,063
	<b>State</b>	<b>\$10,537</b>	<b>\$11,011</b>	<b>\$11,453</b>	<b>\$11,673</b>	<b>49,642</b>	<b>47,690</b>

(1) Based on 3-month avg children served Feb, Mar, April 2004

(2) Based on 3-month avg children served Feb, Mar, April 2005 (proxy for total available during 04/05)



## Future of Equity - Options

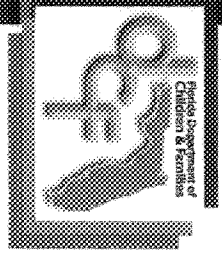
- Option 1 - Achieve equity with no new funding
- Option 2 - Provide same amount of new funding as 2005-2006 and same proviso methodology
- Option 3 - Provide new funding to allow all CBCs who are below statewide average to reach statewide average using same proviso methodology



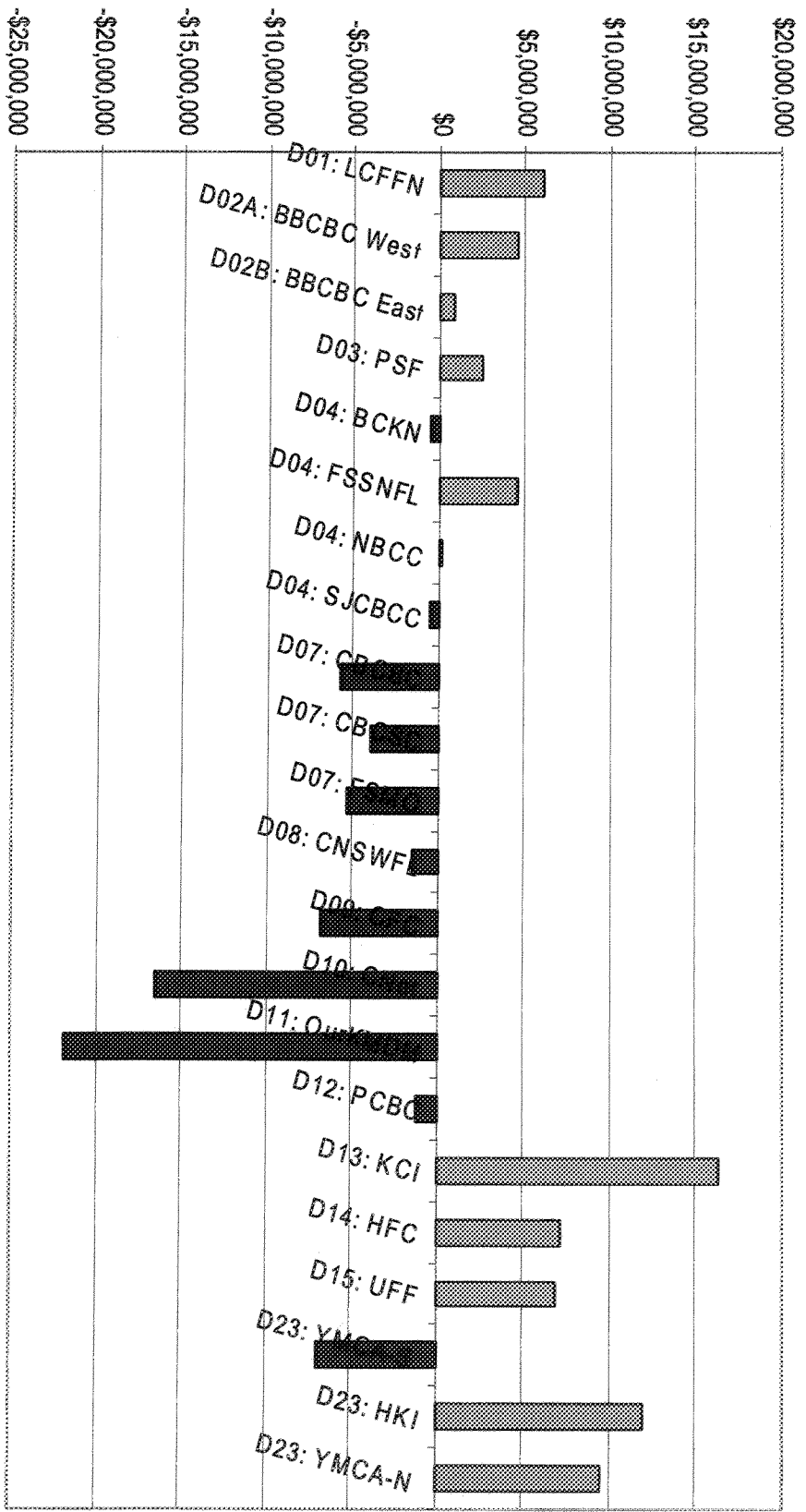
# Option 1 - Achieve equity with no new funding

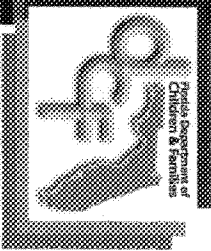


Zone	District/ Region	LACode	Lead Agency (Service Area)	Total Funds Available <sup>(1)</sup>	Denominator (Avg Children Served Jul, Aug, Sept 2005)	Average Available per Child	Achieve Equity With No New Funding
Panhandle	1	D01: LCFN	Lakeview Center, FamiliesFirst Network	\$25,818,248	2,722	\$9,484	\$6,089,242
Panhandle	2A	D02A: BRCBC West	Big Bend CBC West	\$10,704,390	1,304	\$8,211	\$4,575,418
Panhandle	2B	D02B: BRCBC East	Big Bend CBC East	\$10,723,604	990	\$10,836	\$875,923
Northeast	3	D03: PSF	Partnerships for Strong Families	\$18,525,506	1,799	\$10,298	\$2,559,926
Northeast	4	D04: BCKN	Baker-Clay/Clay Kids Net, Inc.	\$6,459,377	511	\$12,649	(\$474,037)
Northeast	4	D04: FSSNFL	Family Support Services of North Florida, Inc.	\$29,406,882	2,900	\$10,141	\$4,579,068
Northeast	4	D04: NBCC	Nassau Board of County Commissioners	\$2,002,260	190	\$10,538	\$224,662
Northeast	4	D04: SJCBCC	St. Johns County Board of County Commissioners	\$3,926,222	294	\$13,354	(\$480,354)
Central	7	D07: CBRCBC	Community-Based Care of Brevard County, Inc.	\$19,133,077	1,142	\$16,749	(\$5,744,199)
Central	7	D07: CBRCSC	Community-Based Care of Seminole County, Inc.	\$11,093,941	615	\$18,049	(\$3,899,654)
Central	7	D07: FSMO	Family Services of Metro Orlando, Inc.	\$42,197,435	3,144	\$13,420	(\$5,343,835)
South	8	D08: CNSWFL	Children's Network of SW Florida (Div. of Camelot Community Care)	\$19,406,103	1,529	\$12,695	(\$1,489,151)
South	9	D09: CFC	Child and Family Connections, Inc.	\$27,910,197	1,802	\$15,488	(\$6,789,603)
South	10	D10: CNet	ChildNet, Inc.	\$55,952,974	3,366	\$16,625	(\$16,505,205)
Miami	11	D11: OurKMDM	Our Kids of Miami-Dade/Monroe, Inc.	\$76,743,759	4,683	\$16,387	(\$21,852,093)
Northeast	12	D12: PCBC	Partners for Community-Based Care, Inc.	\$18,204,769	1,453	\$12,529	(\$1,174,678)
Central	13	D13: KCI	Kids Central, Inc.	\$32,792,254	4,195	\$7,818	\$16,371,926
Central	14	D14: HFC	Heartland for Children	\$29,833,474	3,153	\$9,461	\$7,125,612
South	15	D15: UFF	United for Families, Inc.	\$15,881,971	1,937	\$8,198	\$6,824,816
SunCoast	23	D23: YMCA-S	YMCA South	\$19,530,290	1,075	\$18,168	(\$6,930,602)
SunCoast	23	D23: HKI	Hillsborough Kids, Inc.	\$46,229,797	4,967	\$9,308	\$11,982,717
SunCoast	23	D23: YMCA-N	YMCA North	\$38,297,512	4,075	\$9,398	\$9,464,098
State				\$560,774,042	47,845	\$11,721	\$0



# ACHIEVE EQUITY WITH NO NEW FUNDING





Option 2 - Provide same amount  
of new funding as 2005-2006  
and same proviso methodology



# Option 2 \*

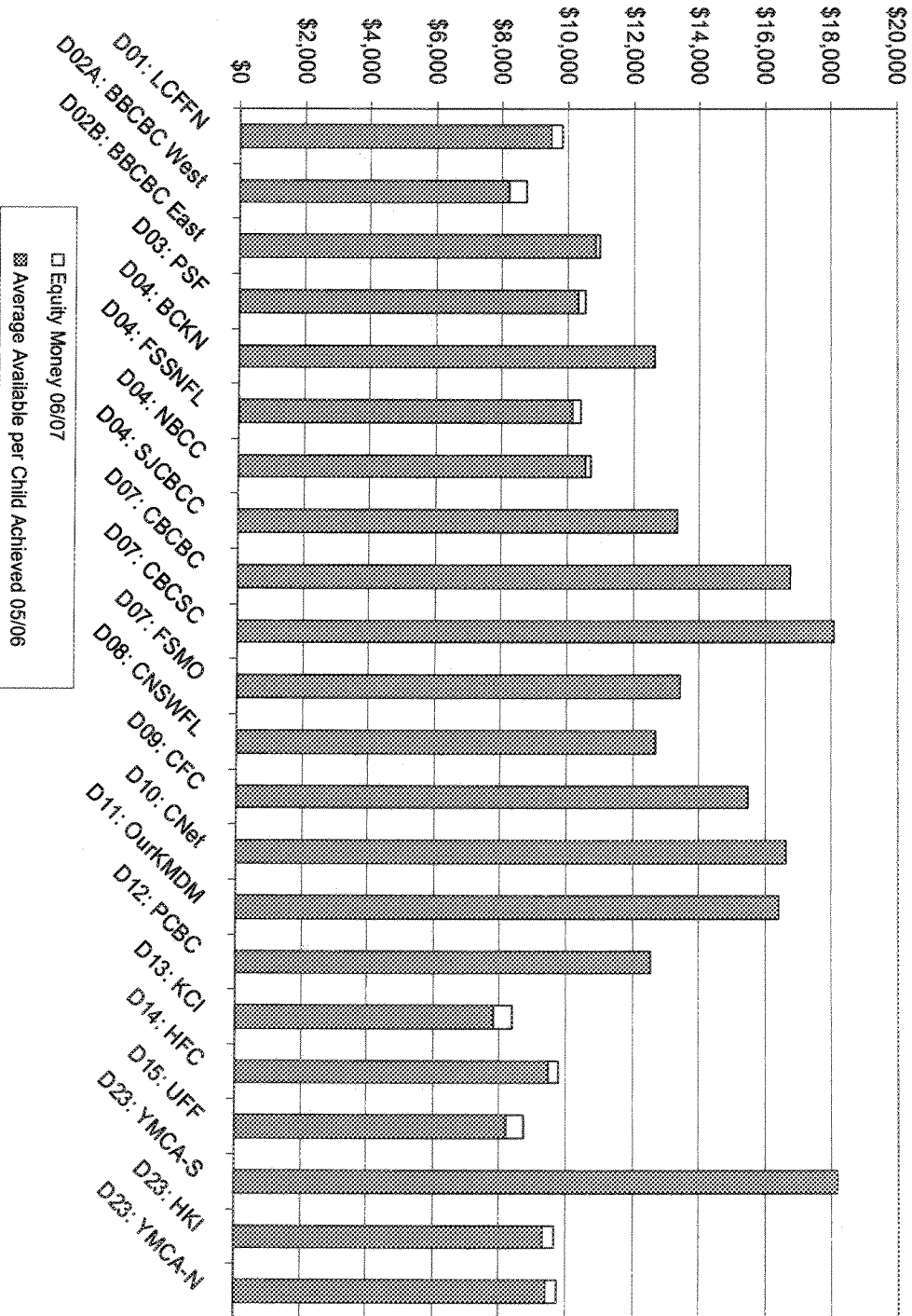
Zone	District/ Region	LACode	Lead Agency (Service Area)	Total Funds Available <sup>(1)</sup>	Denominator (Avg Children Served Jul, Aug, Sept 2005)	Average Available per Child	Assume \$10,500,000 in New Funding
Panhandle	1	D01: LCFRN	Lakeview Center, FamiliesFirst Network	\$25,818,248	2,722	\$9,484	\$904,683
Panhandle	2A	D02A: BBBCB West	Big Bend CBC West	\$10,704,390	1,304	\$8,211	\$679,773
Panhandle	2B	D02B: BBBCB East	Big Bend CBC East	\$10,723,604	980	\$10,836	\$130,137
Northeast	3	D03: PSF	Partnerships for Strong Families	\$18,525,506	1,799	\$10,298	\$380,330
Northeast	4	D04: BCKN	Baker-Clay/Clay Kids Net, Inc.	\$6,459,377	511	\$12,649	\$0
Northeast	4	D04: FSSNFL	Family Support Services of North Florida, Inc.	\$29,406,882	2,900	\$10,141	\$680,316
Northeast	4	D04: NBCC	Nassau Board of County Commissioners	\$2,002,260	190	\$10,538	\$33,378
Northeast	4	D04: SJCBCC	St. Johns County Board of County Commissioners	\$3,926,222	294	\$13,354	\$0
Central	7	D07: CBCBC	Community-Based Care of Brevard County, Inc.	\$19,133,077	1,142	\$16,749	\$0
Central	7	D07: CBCSC	Community-Based Care of Seminole County, Inc.	\$11,093,941	615	\$18,049	\$0
Central	7	D07: FSMO	Family Services of Metro Orlando, Inc.	\$42,197,435	3,144	\$13,420	\$0
South	8	D08: CNSWFL	Children's Network of SW Florida (Div. of Camelot Community Care)	\$19,406,103	1,529	\$12,695	\$0
South	9	D09: CFC	Child and Family Connections, Inc.	\$27,910,197	1,802	\$15,488	\$0
South	10	D10: CNet	ChildNet, Inc.	\$55,952,974	3,366	\$16,625	\$0
Miami	11	D11: OurKMDM	Our Kids of Miami-Dade/Monroe, Inc.	\$76,743,759	4,683	\$16,387	\$0
Northeast	12	D12: PCBC	Partners for Community-Based Care, Inc.	\$18,204,769	1,453	\$12,529	\$0
Central	13	D13: KCI	Kids Central, Inc.	\$32,792,254	4,195	\$7,818	\$2,432,389
Central	14	D14: HFC	Heartland for Children	\$29,833,474	3,153	\$9,461	\$1,058,657
South	15	D15: UFF	United for Families, Inc.	\$15,881,971	1,937	\$8,198	\$1,013,969
SunCoast	23	D23: YMCA-S	YMCA South	\$19,530,290	1,075	\$18,168	\$0
SunCoast	23	D23: HKI	Hillsborough Kids, Inc.	\$46,229,797	4,967	\$9,308	\$1,780,281
SunCoast	23	D23: YMCA-N	YMCA North	\$38,297,512	4,075	\$9,398	\$1,406,088
State				\$560,774,042	47,845	\$11,721	\$10,500,000

New Average

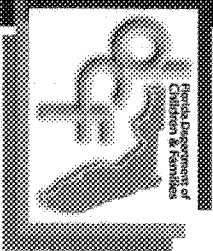
\$11,940



# Option 2.







Option 3 - Provide funding to allow all CBCs  
who are below statewide average to  
statewide average using same proviso  
methodology



# Option 3.

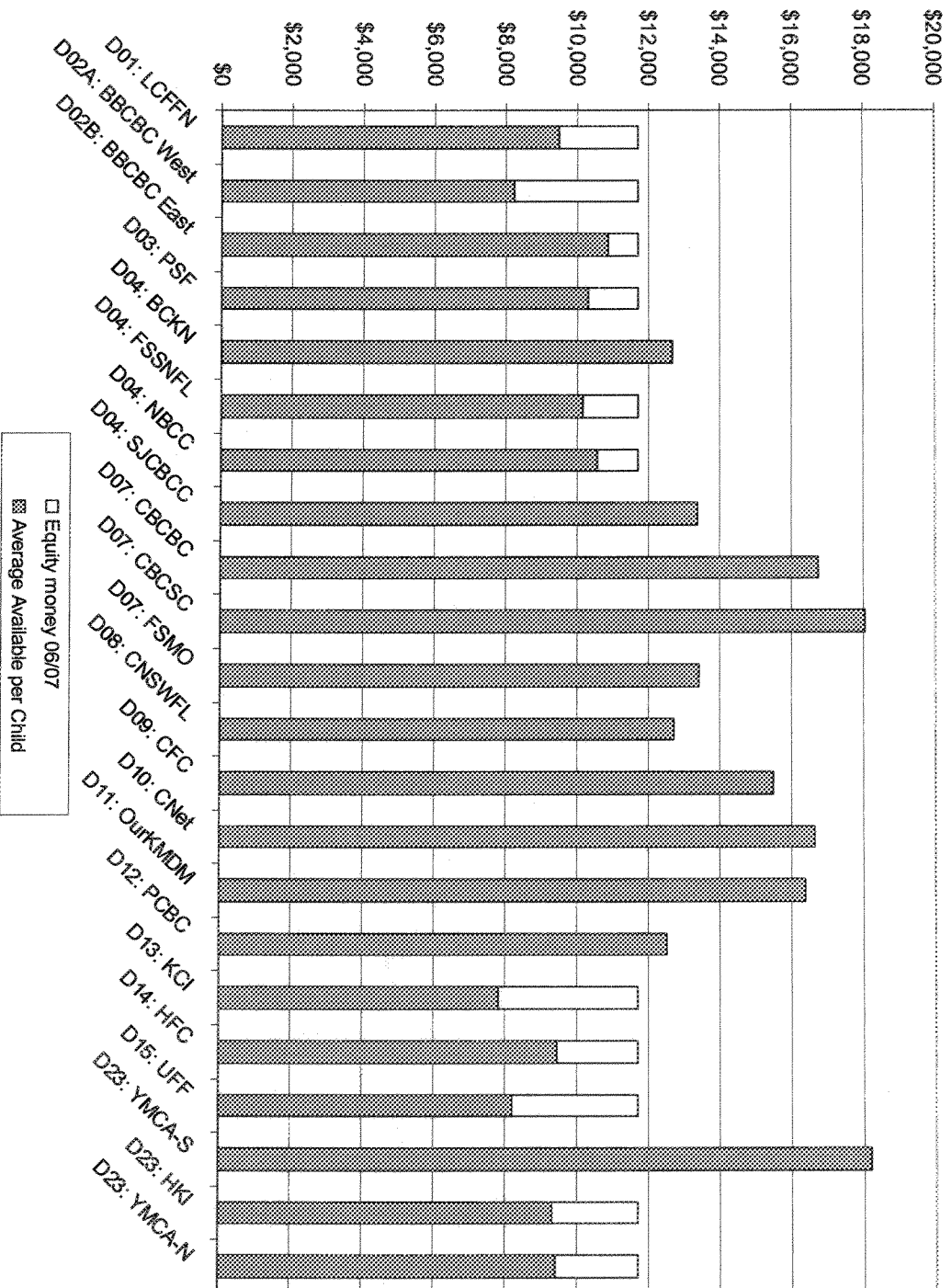
Zone	District/ Region	LA Code	Lead Agency (Service Area)	Total Funds Available <sup>(1)</sup>	Denominator (Avg Children Served Jul, Aug, Sept 2005)	Average Available per Child	Full Need to Achieve State Average
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Northeast	3	D03: PSF	Partnerships for Strong Families	\$18,525,506	1,799	\$10,298	\$2,559,926
Northeast	4	D04: BCKN	Baker-Clay/Clay Kids Net, Inc.	\$6,459,377	511	\$12,649	\$0
Northeast	4	D04: FSSNFL	Family Support Services of North Florida, Inc.	\$29,406,882	2,900	\$10,141	\$4,579,068
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Central	7	D07: FSMO	Family Services of Metro Orlando, Inc.	\$42,197,435	3,144	\$13,420	\$0
South	8	D08: CNSWL	Children's Network of SW Florida (Div. of Caneelot Community Care)	\$19,406,103	1,529	\$12,695	\$0
South	9	D09: CFC	Child and Family Connections, Inc.	\$27,910,197	1,802	\$15,488	\$0
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SunCoast	23	D23: YMCA-N	YMCA North	\$38,297,512	4,075	\$9,398	\$9,464,098
State				\$560,774,042	47,845	\$11,721	\$70,673,409

New Average

\$13,198



# Option 3.





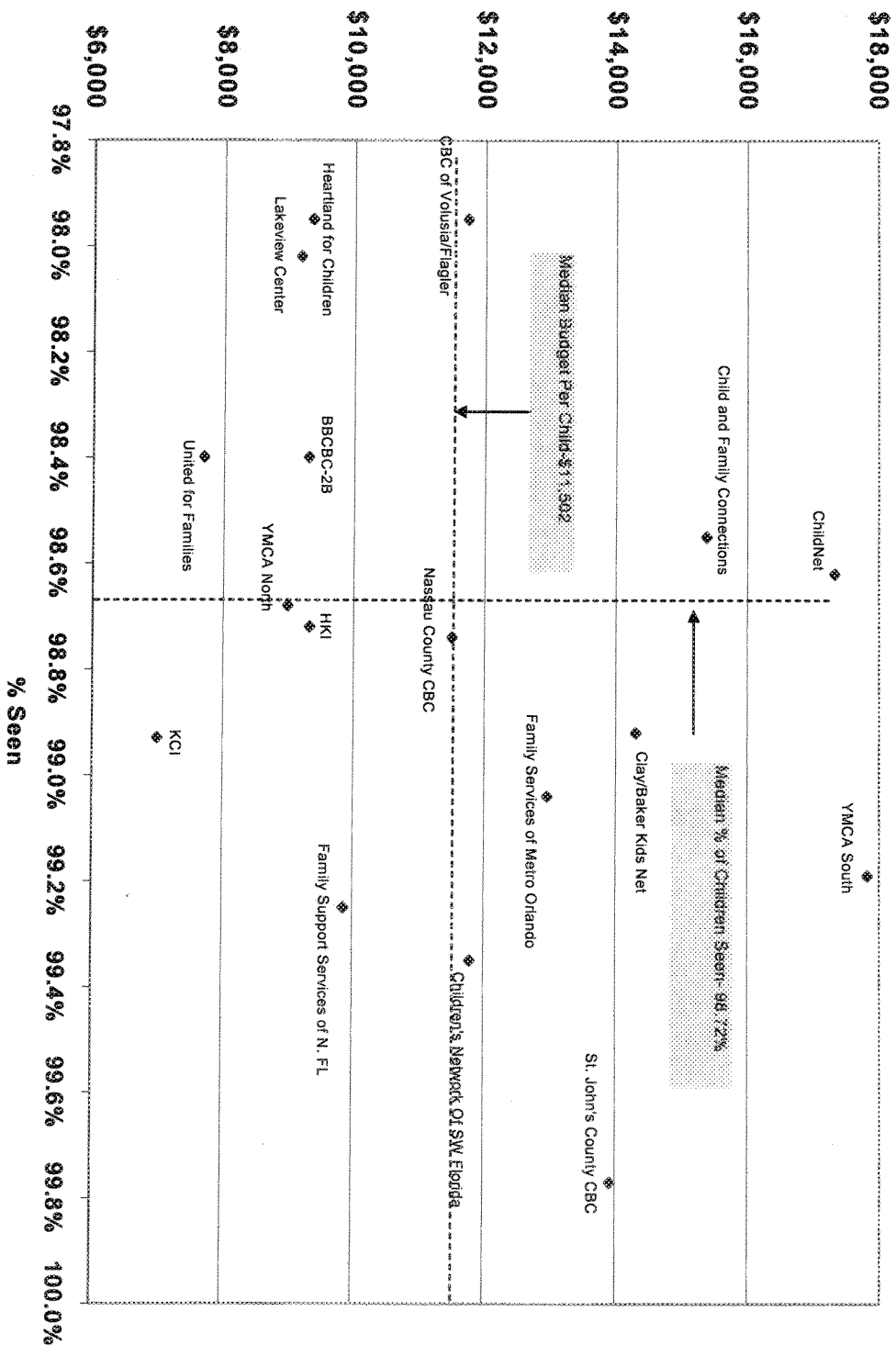
# CBC Funding Level to Performance Comparison for Selected Performance Measures

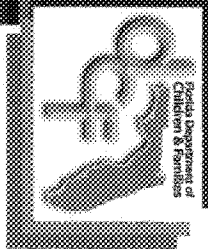
## FY 04/05 Budget and Performance Data

January 12, 2006

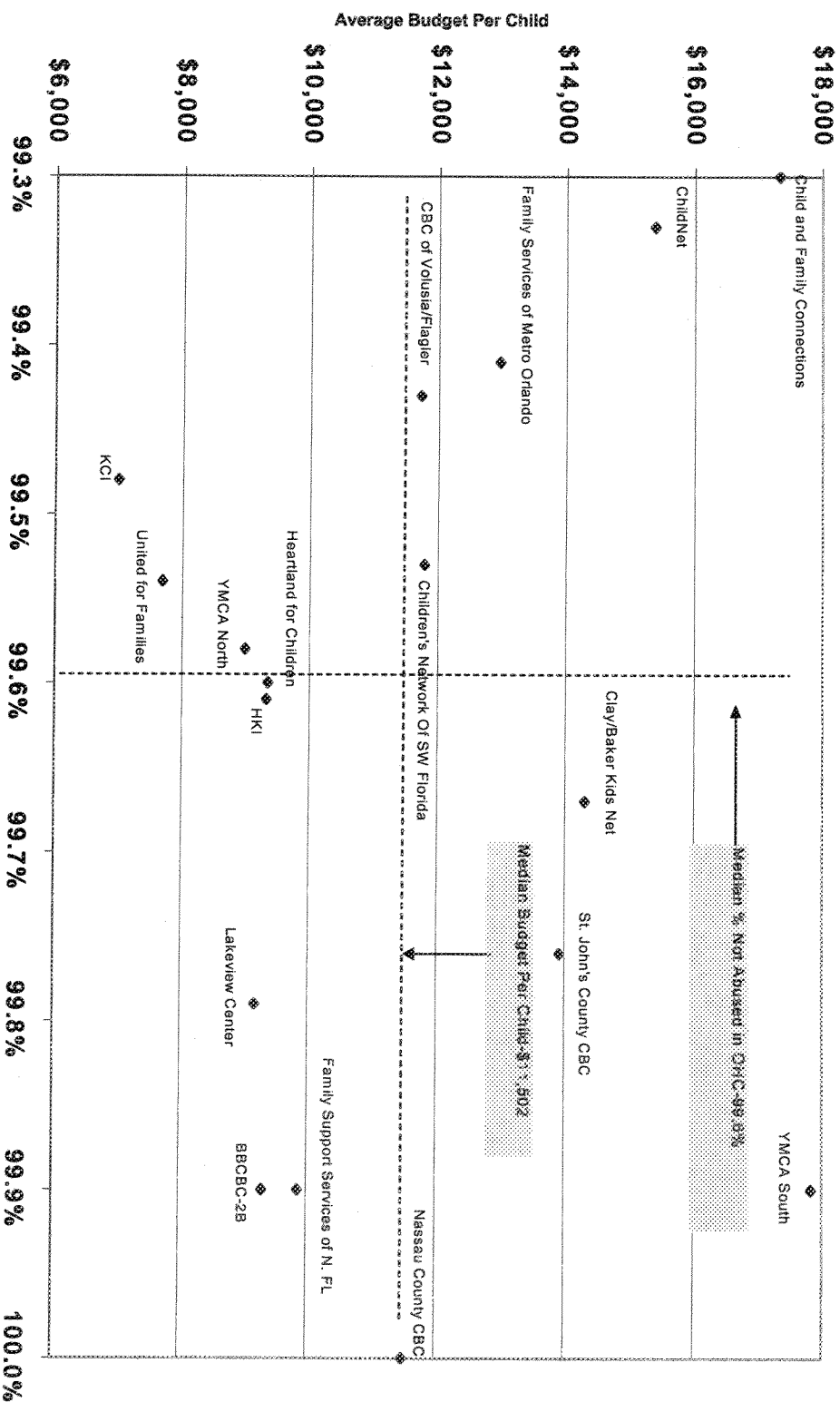


# Comparison of Budget per Child to Percent of Children Seen Each Month Fiscal Year 2004-05



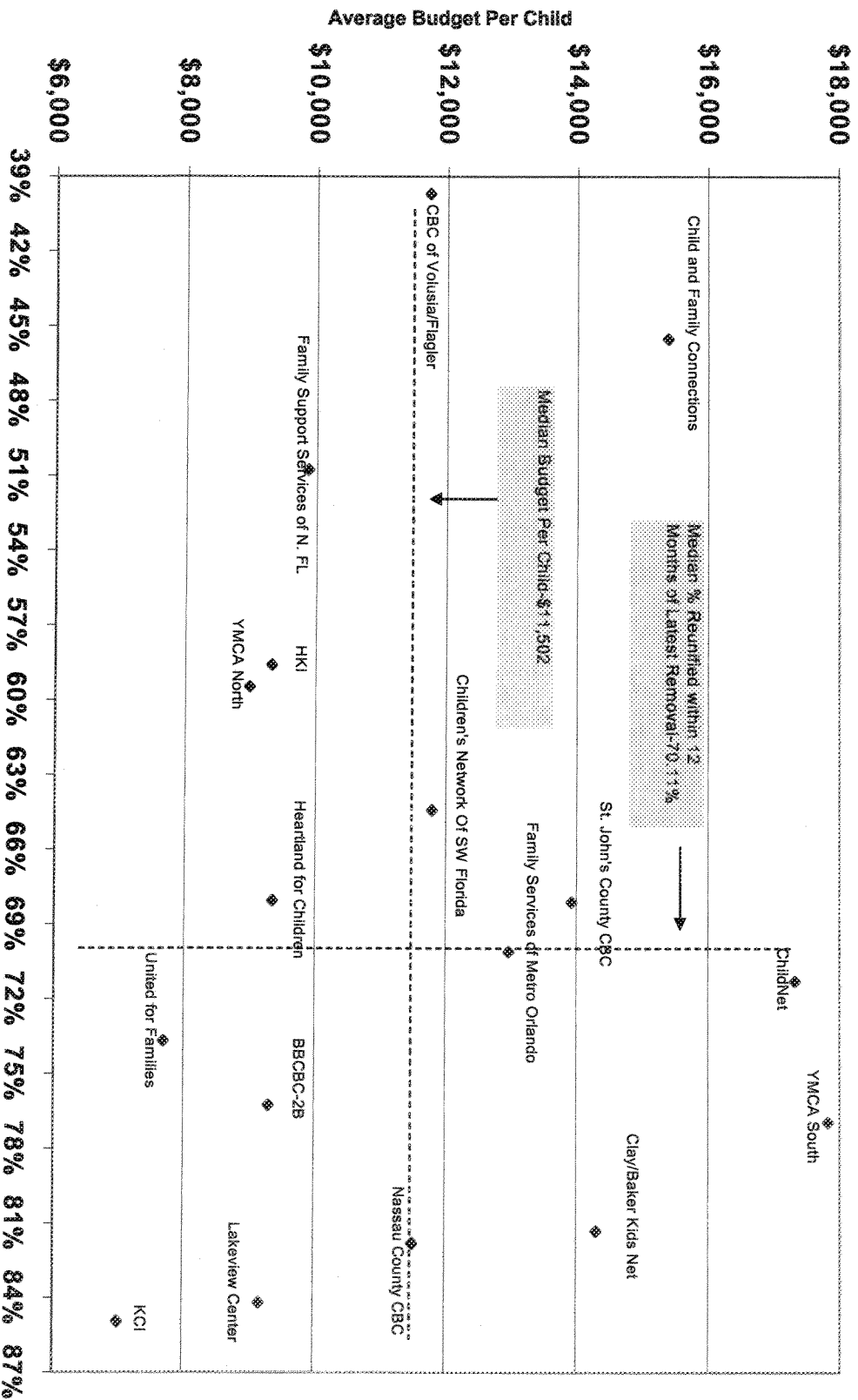


# Comparison of Budget per Child to Percent of Children Not Abused in OHC Fiscal Year 2004-05



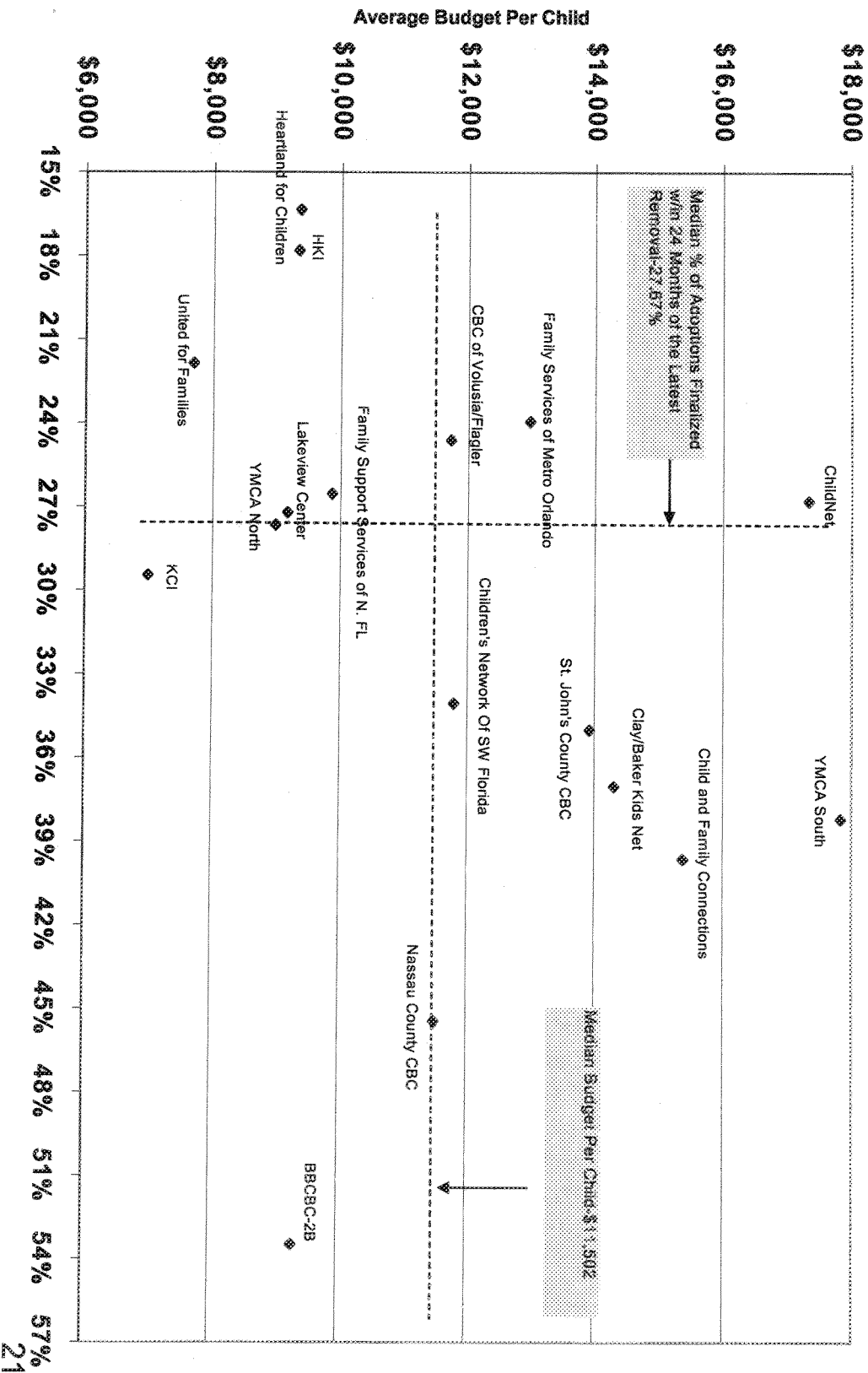


# Comparison of Budget per Child to Percent of Children Reunited within 12 Months of the Latest Removal Fiscal Year 2004-05

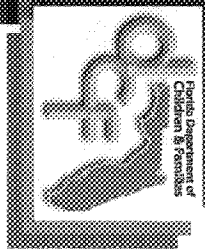




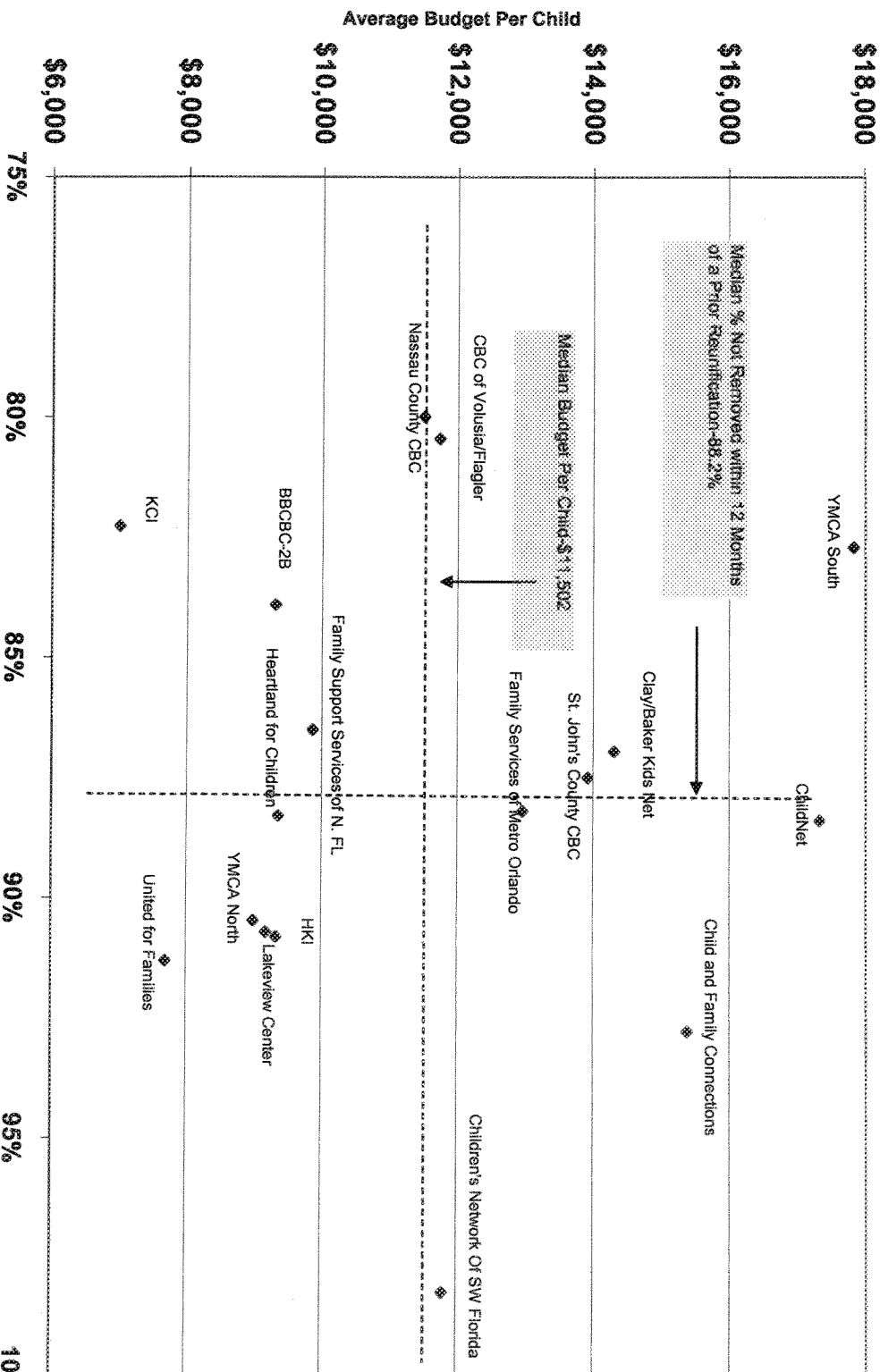
# Comparison of Budget per Child to Percent of Adoptions Finalized w/in 24 Months of Latest Removal Fiscal Year 2004-05

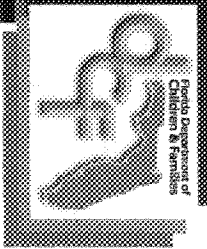






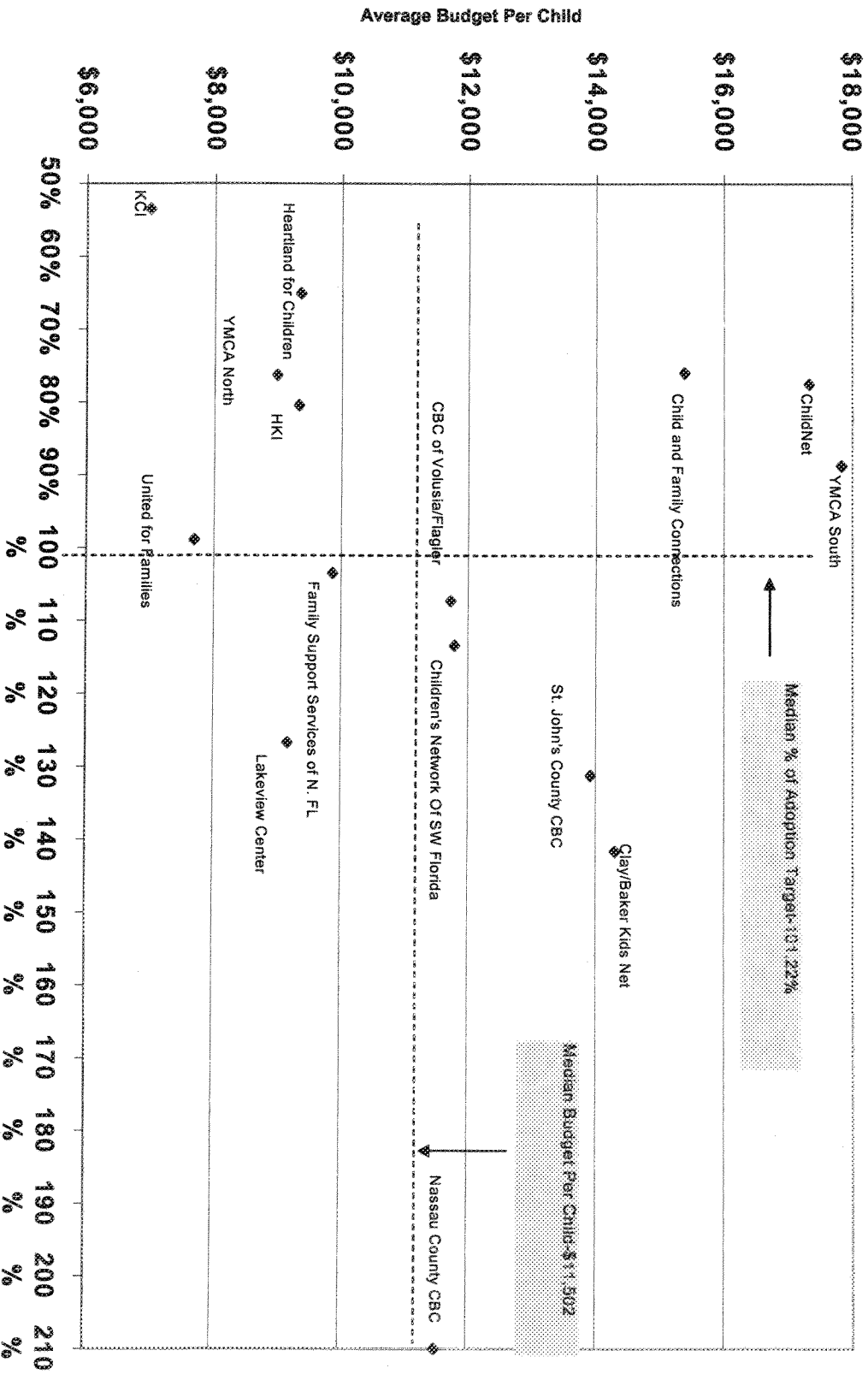
# Comparison of Budget per Child to Percent Not Removed within 12 Months of a Prior Reunification Fiscal Year 2004-05

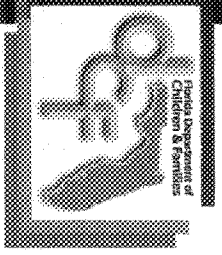




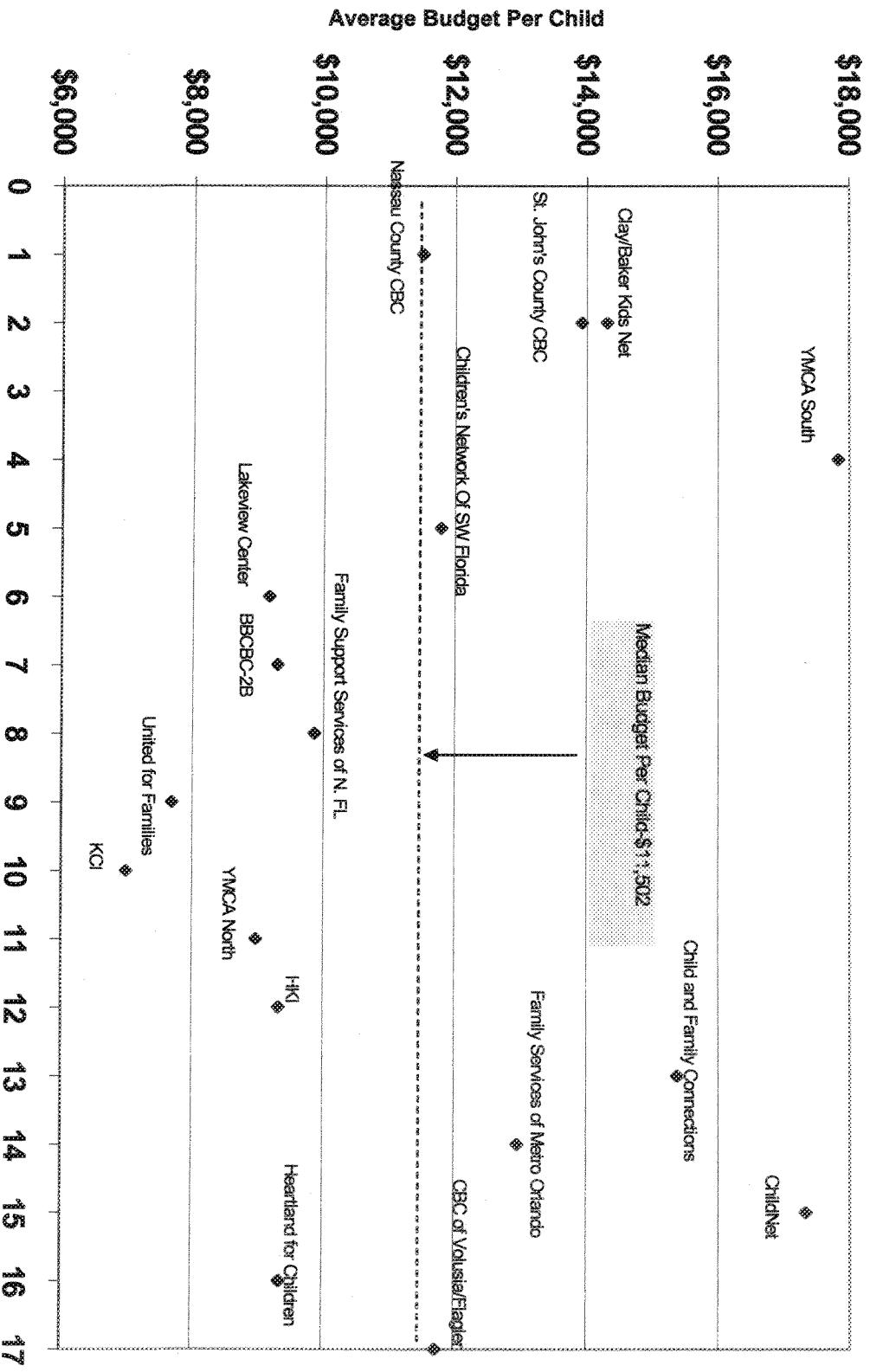
# Comparison of Budget per Child to Percent of Adoption Target

Fiscal Year 2004-05





# Comparison of Budget per Child to Ranking of Overall Performance on all Measures Fiscal Year 2004-05



# Performance and Budget Data

FY 2004-2005

Lead Agency (Service Area)	Baseline 04/05 Average Budget per Child	Children Seen	Rank	Not Abused in OHC	Rank	Reunited w/in 12 Months of the Latest Removal	Rank	Adoptions Finalized w/in 24 Months of Latest Removal	Rank	% Removed w/in 12 Months of a Prior Reunification	Rank	% of Adoption Target	Rank	Overall Average Rank	Overall Rank
Kids Central, Inc.	\$9,996	98.93%	6	99.48%	13	84.96%	1	28.47%	8	82.27%	15	53.54%	15	9.67	10
United for Families, Inc.	\$7,692	98.40%	13	99.54%	11	73.68%	7	21.87%	15	91.31%	3	98.95%	8	9.50	9
Pineclay-Pasco/YMCA	\$9,987	98.66%	10	99.58%	10	59.49%	13	27.67%	9	90.48%	6	76.34%	12	10.00	11
Lakeview Center, FamiliesFirst Network															
	\$9,172	98.02%	15	99.79%	5	84.20%	2	27.22%	10	90.72%	5	126.76%	4	6.83	6
Big Bend CBC East															
Hillsborough Kids, Inc.	\$9,304	98.40%	14	99.90%	2	76.26%	6	53.48%	1	83.91%	13			7.20	7
Heartland for Children	\$9,327	98.72%	9	99.61%	8	58.61%	14	17.82%	16	90.82%	4	80.50%	10	10.17	12
Family Support Services of North Florida, Inc.	\$9,353	97.95%	16	99.60%	9	68.05%	11	16.36%	17	88.30%	8	65.15%	14	12.50	16
Nassau Board of County Commissioners	\$9,864	98.25%	3	99.90%	2	50.78%	15	26.55%	12	86.51%	12	103.50%	7	8.50	8
Partners for Community-Based Care, Inc.	\$11,502	98.74%	8	100.00%	1	81.81%	3	45.45%	2	80.00%	17	210.00%	1	5.33	1
Children's Network of SW Florida (Div. of Camelot Community Care)	\$11,726	97.95%	17	99.43%	14	39.71%	17	24.62%	13	80.46%	16	107.32%	6	13.83	17
Family Services of Metro Orlando, Inc.	\$11,790	99.35%	2	99.53%	12	64.43%	12	34.06%	7	98.22%	1	113.41%	5	6.50	5
St. Johns County Board of County Commissioners	\$12,964	99.04%	5	99.41%	15	70.11%	9	23.95%	14	88.20%	9			10.40	14
Baker-Clay/Clay Kids Net, Inc.	\$13,921	99.77%	1	99.76%	6	68.11%	10	35.00%	6	87.50%	10	131.25%	3	6.00	2
Child and Family Connections, Inc.	\$14,306	98.92%	7	99.67%	7	81.31%	4	37.03%	5	86.96%	11	141.67%	2	6.00	2
ChildNet, Inc.	\$15,382	98.55%	12	99.33%	16	45.53%	16	39.64%	3	92.79%	2	76.01%	13	10.33	13
DeSoto-Manatee-Sarasota/YMCA Children, Youth & Family Services.	\$17,329	98.62%	11	99.30%	17	71.30%	8	26.80%	11	88.40%	7	77.57%	11	10.83	15
	\$17,831	99.19%	4	99.90%	2	76.95%	5	38.20%	4	82.71%	14	88.78%	9	6.33	4

Florida Department of  
Children & Families



# Mental Health and Substance Abuse Funding Equity

**Ken DeCerio**

Assistant Secretary for Substance Abuse  
and Mental Health

**House Health Care Appropriations  
Committee**

January 12, 2006



## **Statutory Definition of Mental Health and Substance Abuse Equity (s. 394.908, F.S.)**

- **75% of any new funding beyond FY 1996-97 base to be allocated based on:**
  - **Epidemiological estimates of disabilities in the target population.**
  - **Pro rata share for districts below the statewide average per capita funding for 'persons in need' to achieve equity.**
- **Remaining 25% to be allocated to all districts based on number of persons in need of services.**



# Adult Mental Health Target Population

- Adults with severe and persistent mental illnesses who meet any of the following criteria:
  - Documented evidence of long-term psychiatric disability, or
  - Receive income due to psychiatric disability, or
  - Are over 59 and demonstrate inability to perform independently in day-to-day living.
- Individuals experiencing an acute mental health crisis.



# Adult Mental Health Equity

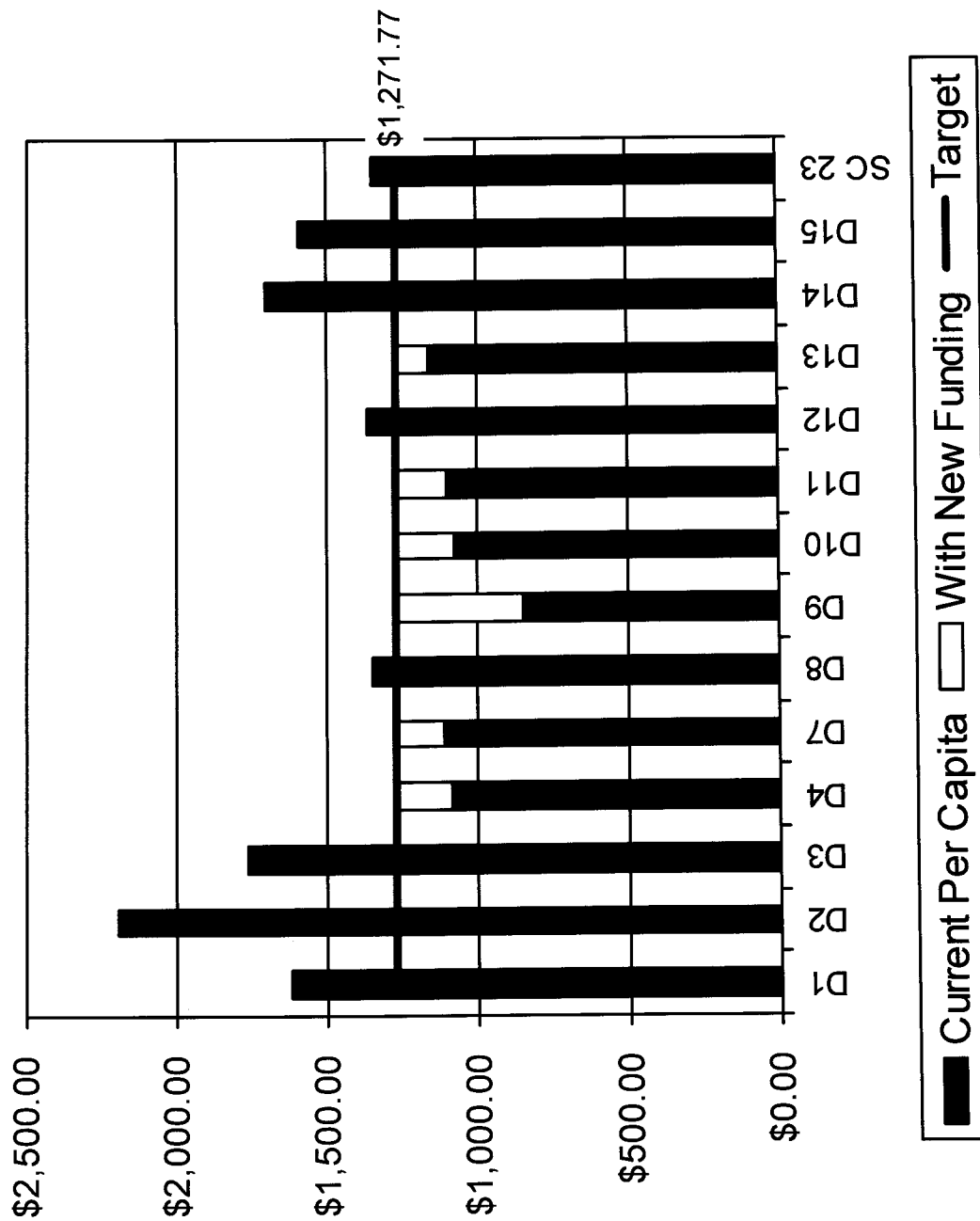
- Current statewide average per capita funding: \$1,271.77
- Funding needed to achieve statewide average in districts below the average: \$37,245,600
- Includes Baker Act funding
- Includes adult community mental health appropriations plus costs associated with districts' state hospital utilization (civil).





# Adult Mental Health Equity

Amount to achieve statewide average funding of \$1,271.77





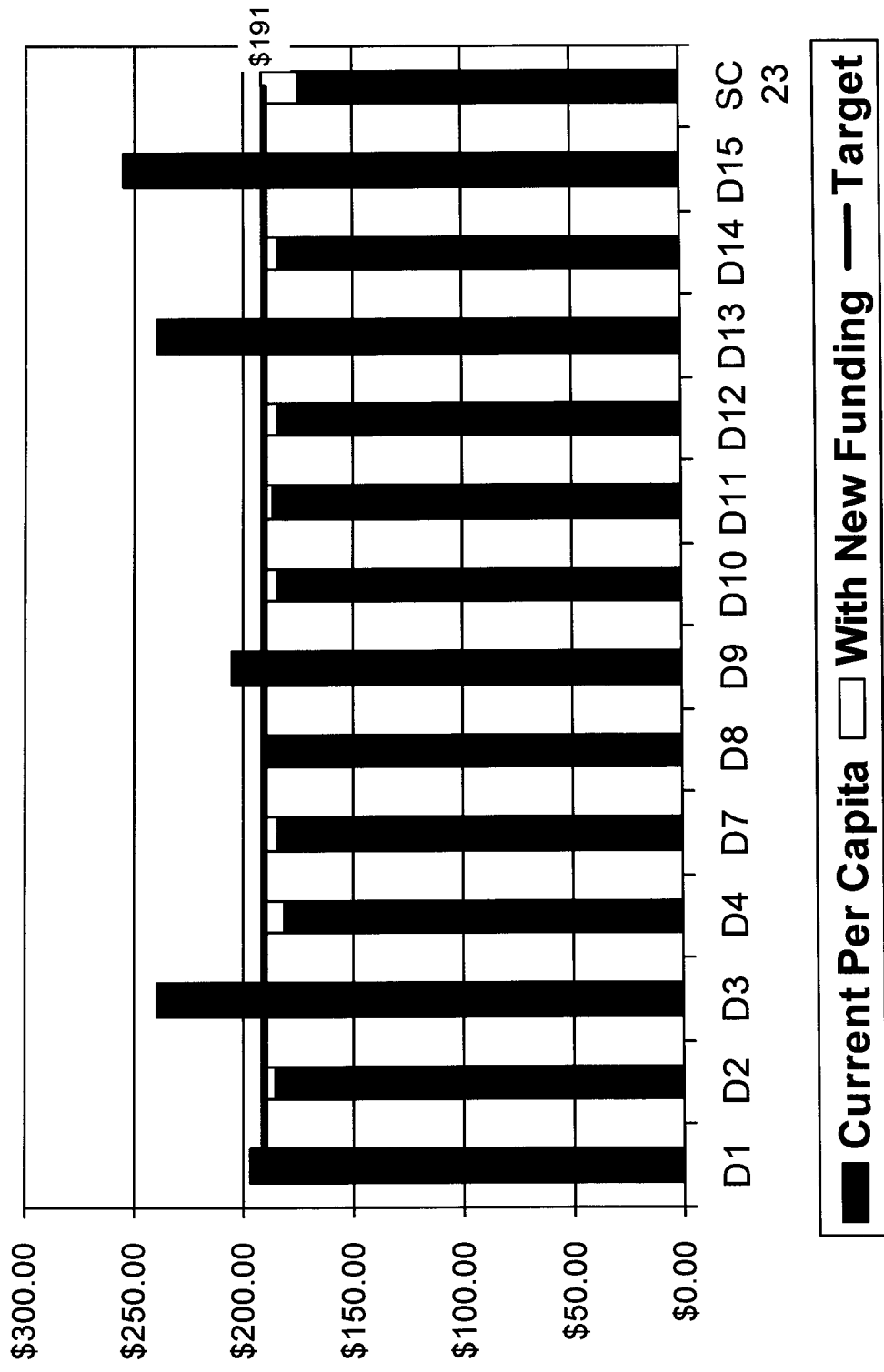
# Children's Mental Health Target Population

- Children with serious emotional disturbance
- Statewide average per capita funding:  
\$191.09
- \$1,962,673 needed to bring nine districts  
up to statewide average



# Children's Mental Health Equity

Amount Needed to Achieve Statewide Per Capita Average of \$191





# Additional Funding Needed to Achieve Equity in Mental Health Services

District	Children's Funding Needed	Adult Funding Needed (includes civil hospital resources)
1	\$0	\$0
2	\$74,223	\$0
3	\$0	\$0
4	\$240,746	\$4,508,243
7	\$285,286	\$7,010,374
8	\$8,127	\$0
9	\$0	\$9,557,198
10	\$206,660	\$6,456,637
11	\$210,538	\$8,140,702
12	\$51,959	\$0
13	\$0	\$1,572,447
14	\$75,535	\$0
15	\$0	\$0
Suncoast Region	\$809,599	\$0
Total	\$1,962,673	\$37,245,600



# Achieving Equity in Mental Health Services Without New Funding

District	Children's Budget Needed	Adult Budget Needed (Includes Civil)
1	(\$68,944)	(\$4,607,242)
2	\$74,282	(\$12,882,449)
3	(\$450,169)	(\$5,392,829)
4	\$240,870	\$4,508,313
7	\$285,491	\$7,010,498
8	\$8,205	(\$1,339,826)
9	(\$281,522)	\$9,557,264
10	\$206,818	\$6,456,734
11	\$210,774	\$8,140,841
12	\$52,000	(\$886,169)
13	(\$635,616)	\$1,572,489
14	\$75,593	(\$4,823,138)
15	(\$527,637)	(\$2,850,592)
Suncoast Region	\$809,855	(\$4,463,894)



# Determining Substance Abuse Services Needs

*Children:* 2004 Florida census figures multiplied by estimated rates of substance use provided by 2004 *Florida Youth Substance Abuse Survey*.

*Adults:* 2004 Florida census figures multiplied by estimated rates of state-specific substance abuse provided by Substance Abuse and Mental Health Services Administration (SAMHSA) through the National Survey on Drug Use and Health.



# Substance Abuse Target Populations

- Children with or at risk for substance abuse.
- Adults with or at risk for substance abuse.
- Older adults in need of substance abuse treatment.



# Adult Substance Abuse Equity

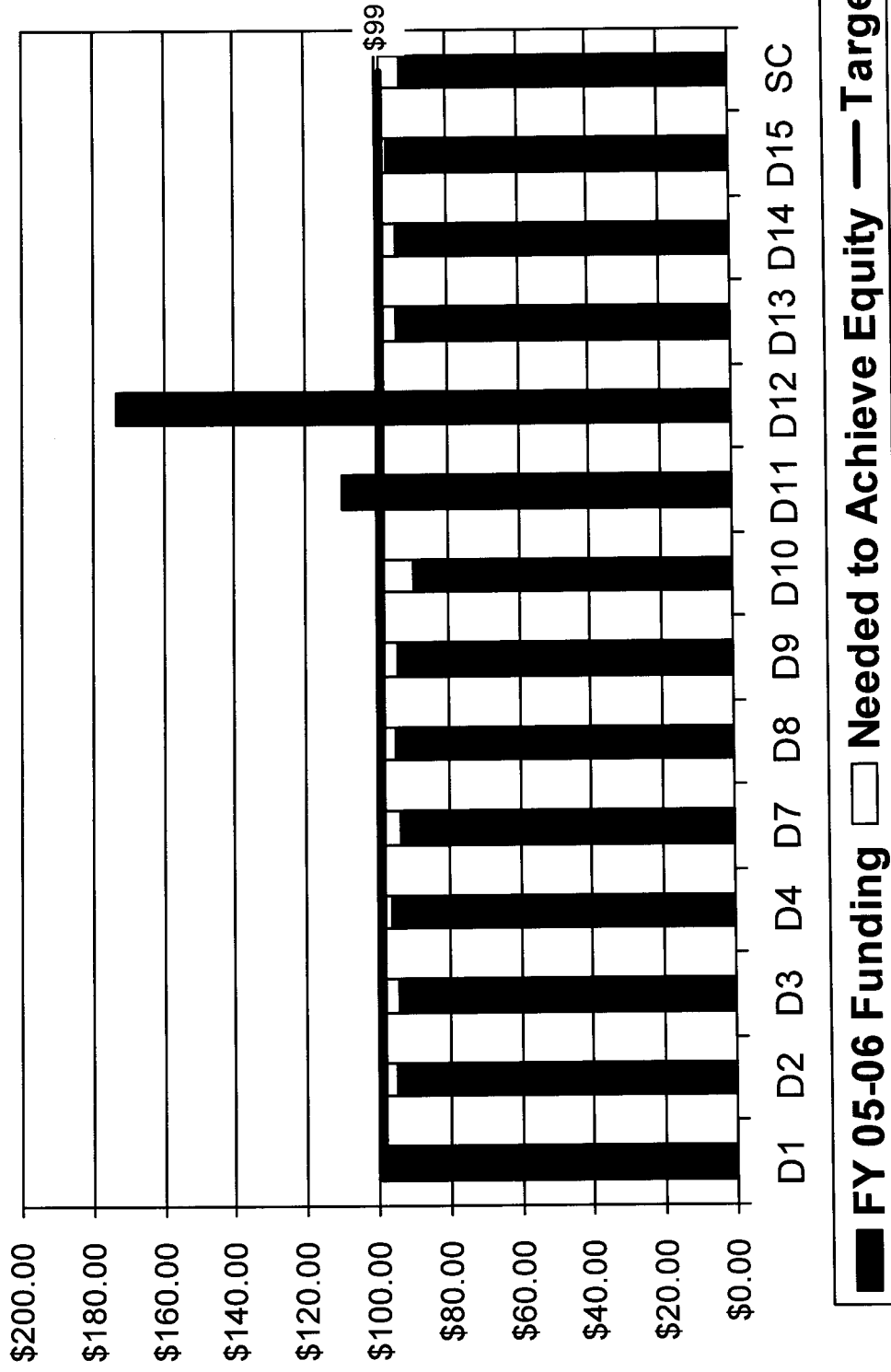
- Statewide average per capita funding:  
\$98.58
- Amount needed to reach statewide average in districts that are below average: \$4,653,036





# Adult Substance Abuse Equity

Amount to Achieve Statewide Per Capita Average of \$98.58





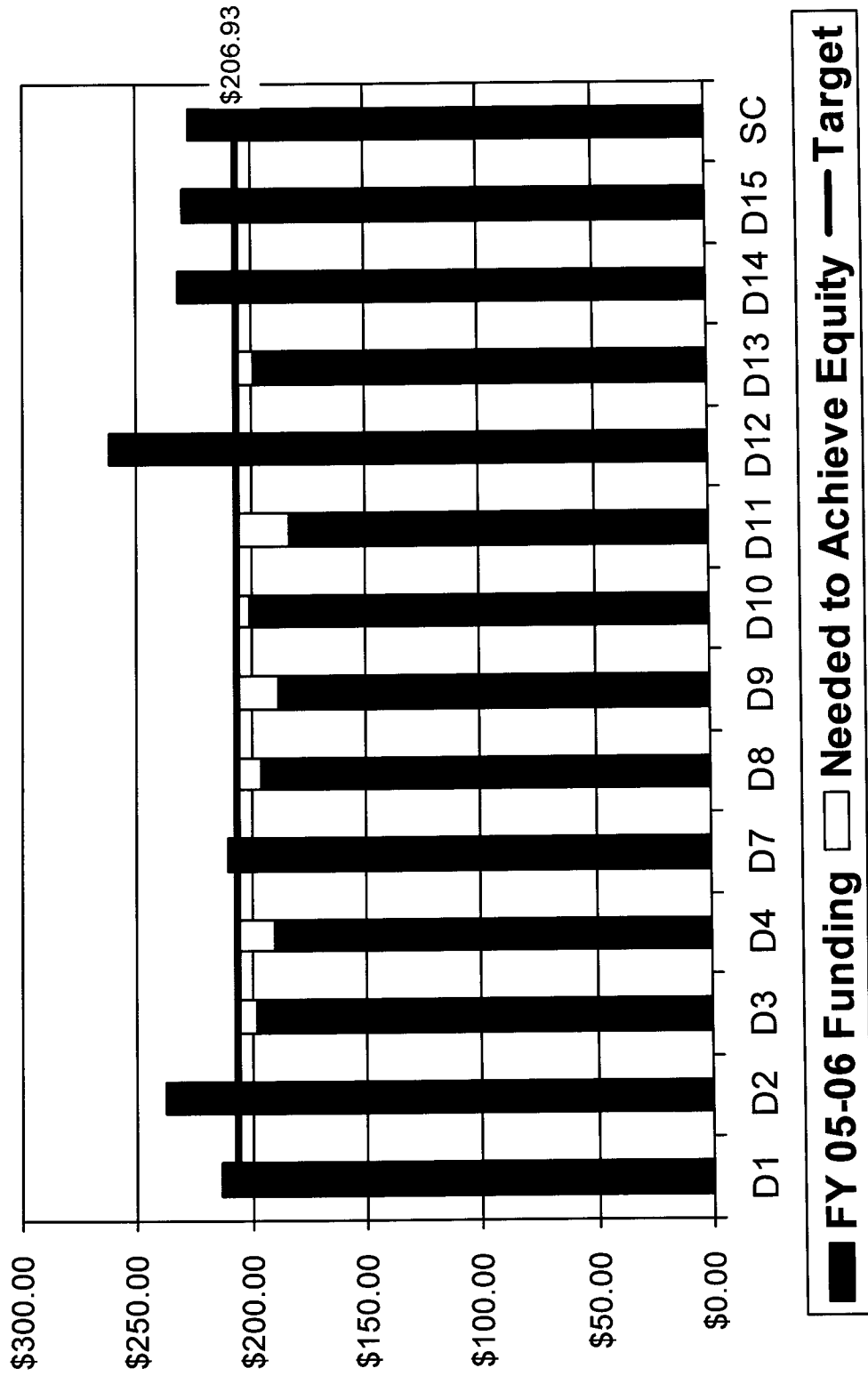
# Children's Substance Abuse Equity

- Current statewide average per capita funding: \$206.93
- Amount needed to reach statewide average in districts that are below average: \$2,924,150



# Children's Substance Abuse Equity

Amount to Achieve Statewide Per Capita Average of \$206.93





# Additional Funding Needed to Achieve Equity in Substance Abuse Services

District	Children's Budget Needed	Adult Budget Needed
1	\$0	\$0
2	\$0	\$178,017
3	\$98,571	\$185,887
4	\$498,138	\$210,044
7	\$0	\$745,010
8	\$206,909	\$271,832
9	\$429,181	\$359,079
10	\$199,088	\$967,105
11	\$1,359,799	\$0
12	\$0	\$0
13	\$132,464	\$266,657
14	\$0	\$181,961
15	\$0	\$54,898
23	\$0	\$1,232,546
Total	\$2,924,150	\$4,653,036



# Achieving Equity in Substance Abuse Services Without New Funding

District	Children's Budget Needed	Adult Budget Needed
1	(\$97,644)	(\$45,313)
2	(\$425,467)	\$178,213
3	\$98,584	\$186,048
4	\$498,172	\$210,359
7	(\$124,408)	\$745,567
8	\$206,931	\$272,090
9	\$429,209	\$359,393
10	\$199,123	\$967,537
11	\$1,359,866	(\$1,860,296)
12	(\$565,886)	(\$2,750,976)
13	\$132,483	\$266,878
14	(\$301,064)	\$182,125
15	(\$236,079)	\$55,029
23	(\$1,173,820)	\$1,233,346
Total	\$0	\$0



## **Recommendation: Revise Chapter 394.908 F.S.**

- **Delete requirement that 25% of all new funding be spread to all districts regardless of their per capita funding levels.**
- **Allow 100% of any new funding to go to districts that are below equity.**
- **Once equity is achieved, allocate additional funds across all districts based on size of target population.**

**MENTAL HEALTH PROGRAM**  
**EQUITY ANALYSIS FOR FISCAL YEAR 2005-2006**  
**Includes Civil Bed Hospitalization Utilization for Adult Mental Health**  
**(Excludes Non-Recurring Special Projects)**

Adult Mental Health	D1	D2	D3	D4	D7	D8	D9	D10	D11	D12	D13	D14	D15	Surcoast SC 23	Total
2005 SPMI	13,152	13,913	10,897	24,089	42,540	17,527	22,364	33,192	47,425	9,806	14,558	11,227	8,949	56,921	326,560
Total July 1, 2005 Community Appropriation	\$9,049,674	\$10,558,863	\$6,911,443	\$15,570,086	\$25,118,735	\$20,397,758	\$14,812,235	\$22,560,527	\$32,562,575	\$6,629,475	\$9,497,058	\$12,749,090	\$11,832,872	\$62,059,475	\$260,309,866
Civil Hospital Bed Utilization	\$12,283,925	\$20,017,763	\$12,339,896	\$10,557,339	\$21,971,987	\$3,232,432	\$4,072,431	\$13,195,426	\$19,610,415	\$6,727,699	\$7,444,923	\$6,352,243	\$2,398,816	\$14,795,004	\$155,000,299
Total Adult Mental Health Resources	\$21,333,599	\$30,576,626	\$19,251,339	\$26,127,425	\$47,090,722	\$23,630,190	\$18,884,666	\$35,755,953	\$52,172,990	\$13,357,174	\$16,941,981	\$19,101,333	\$14,231,688	\$76,854,479	\$415,310,165
Amount per SPMI	\$1,622.08	\$2,197.70	\$1,766.66	\$1,084.62	\$1,106.98	\$1,348.22	\$844.42	\$1,077.25	\$1,100.12	\$1,362.14	\$1,163.76	\$1,701.37	\$1,590.31	\$1,350.20	\$1,271.77
(Statewide Average)															
<b>Based on Statewide Average of \$1,271.77 \$37,245,600 is needed to Bring Underfunded Districts to Statewide Average</b>															
Additional Funding Required For Equity	\$0	\$0	\$0	\$4,508,243	\$7,010,374	\$0	\$0	\$9,557,198	\$6,456,637	\$0	\$1,572,447	\$0	\$0	\$0	\$37,245,600
Total Adult Mental Health Resources With Additional Funding For Equity	\$21,333,599	\$30,576,626	\$19,251,339	\$30,635,668	\$54,101,096	\$23,630,190	\$28,441,864	\$42,212,590	\$60,313,692	\$13,357,174	\$18,514,428	\$19,101,333	\$14,231,688	\$76,854,479	\$452,555,765
New SPMI Amount	\$1,622.08	\$2,197.70	\$1,766.66	\$1,271.77	\$1,271.77	\$1,348.22	\$1,271.77	\$1,271.77	\$1,271.77	\$1,362.14	\$1,271.77	\$1,701.37	\$1,590.31	\$1,350.20	
<b>Children's Mental Health</b>															
2005 SED	12,609	12,073	9,271	25,057	41,305	15,753	20,559	31,898	47,640	8,282	13,204	11,626	8,264	51,374	308,915
Total July 1, 2005 Appropriation	\$2,478,460	\$2,232,807	\$2,221,810	\$4,547,396	\$7,607,686	\$3,002,114	\$4,210,243	\$5,888,729	\$8,892,990	\$1,530,648	\$3,158,834	\$2,146,077	\$2,106,846	\$9,007,459	\$59,032,099
Amount per SED	\$196.56	\$184.94	\$239.65	\$181.46	\$184.18	\$190.57	\$204.79	\$184.61	\$186.67	\$184.82	\$239.23	\$184.59	\$254.94	\$175.33	\$191.09
(Statewide Average)															
<b>Based on Statewide Average of \$191.09 \$1,962,673 is needed to Bring Underfunded Districts to Statewide Average</b>															
Additional Funding Required For Equity	\$0	\$74,223	\$0	\$240,746	\$285,286	\$8,127	\$0	\$206,660	\$210,538	\$51,959	\$0	\$75,535	\$0	\$809,599	\$1,962,673
Total Children's Resources With Additional Funding For Equity	\$2,478,460	\$2,307,030	\$2,221,810	\$4,788,142	\$7,892,972	\$3,010,241	\$4,210,243	\$6,095,389	\$9,103,528	\$1,582,607	\$3,158,834	\$2,221,612	\$2,106,846	\$9,817,058	\$60,994,772
New SED Amount	\$196.56	\$191.09	\$239.65	\$191.09	\$191.09	\$191.09	\$204.79	\$191.09	\$191.09	\$191.09	\$239.23	\$191.09	\$254.94	\$191.09	

Note: Methodology used to determine Civil Hospital Bed Utilization - Civil bed days utilized in 04/05 by committing district times cost per day in respective state facility.

**MENTAL HEALTH PROGRAM**  
**EQUITY ANALYSIS FOR FISCAL YEAR 2005-2006**  
**(Redistribution of Base - All Districts Included)**  
**Includes Civil Bed Hospitalization Utilization for Adult Mental Health**  
**(Excludes Non-Recurring Special Projects)**

	District 1	District 2	District 3	District 4	District 7	District 8	District 9	District 10	District 11	District 12	District 13	District 14	District 15	Suncoast Region (23)	Total
<b>Adult Mental Health</b>															
2005 SPMI	13,152	13,913	10,897	24,089	42,540	17,527	22,364	33,192	47,425	9,806	14,558	11,227	8,949	56,921	326,560
Total July 1, 2005 Community Appropriation	\$9,049,674	\$10,568,863	\$6,911,443	\$15,570,086	\$25,118,735	\$20,397,758	\$14,812,235	\$22,560,527	\$32,562,575	\$6,629,475	\$9,497,058	\$12,749,090	\$11,832,872	\$62,059,475	260,309,866
Civil Hospital Bed Utilization	\$12,283,925	\$20,017,763	\$12,339,896	\$10,557,339	\$21,971,987	\$3,232,432	\$4,072,431	\$13,195,426	\$19,610,415	\$6,727,699	\$7,444,923	\$6,352,243	\$2,398,816	\$14,795,004	155,000,299
Total Adult Mental Health Resources	\$21,333,599	\$30,576,626	\$19,251,339	\$26,127,425	\$47,090,722	\$23,630,190	\$18,884,666	\$35,755,953	\$52,172,990	\$13,357,174	\$16,941,981	\$19,101,333	\$14,231,688	\$76,854,479	\$415,310,165
Amount per SPMI	\$1,622.08	\$2,197.70	\$1,766.66	\$1,084.62	\$1,106.98	\$1,348.22	\$844.42	\$1,077.25	\$1,100.12	\$1,362.14	\$1,163.76	\$1,701.37	\$1,590.31	\$1,350.20	\$1,271.77
															(Statewide Average)
<b>Reallocation of Existing Funds Based on a Statewide Average of \$1,271.77 Per Person</b>															
Change in funding level	\$16,726,357	\$17,694,177	\$13,858,510	\$30,635,738	\$54,101,220	\$22,290,364	\$28,441,930	\$42,212,687	\$60,313,831	\$12,471,005	\$18,514,470	\$14,278,195	\$11,381,096	\$72,390,586	\$415,310,165
% Loss/Gain	-1.11%	-3.10%	-1.30%	1.09%	1.69%	-0.32%	2.30%	1.55%	1.96%	-0.21%	0.38%	-1.16%	-0.69%	-1.07%	\$0
<b>Children's Mental Health</b>															
2005 SED	12,609	12,073	9,271	25,057	41,305	15,753	20,559	31,898	47,640	8,282	13,204	11,626	8,264	51,374	308,915
Total July 1, 2005 Appropriation	\$2,478,460	\$2,232,807	\$2,221,810	\$4,547,396	\$7,607,686	\$3,002,114	\$4,210,243	\$5,888,729	\$8,892,990	\$1,530,648	\$3,158,834	\$2,146,077	\$2,106,846	\$9,007,459	59,032,099
Amount per SED	\$196.56	\$184.94	\$239.65	\$181.48	\$184.18	\$190.57	\$204.79	\$184.61	\$186.67	\$184.82	\$239.23	\$184.59	\$254.94	\$175.33	\$191.09
															(Statewide Average)
<b>Reallocation of Existing Funds Based on a Statewide Average of \$191.09 Per Person</b>															
Change in Funding level	\$2,409,516	\$2,307,089	\$1,771,641	\$4,788,266	\$7,893,177	\$3,010,319	\$3,928,721	\$6,095,547	\$9,103,764	\$1,582,648	\$2,523,218	\$2,221,670	\$1,579,209	\$9,817,312	\$59,032,099
% Loss/Gain	-0.12%	0.13%	-0.76%	0.41%	0.48%	0.01%	-0.48%	0.35%	0.36%	0.09%	-1.08%	0.13%	-0.89%	1.37%	\$0
<b>Net Losers/Gainers for Both Adult &amp; Children's Mental Health</b>															\$0

**Methodology for Option 2:**  
Base does not include non-recurring special projects  
Takes all districts to the statewide average funding level for Adults and Children. Some districts gain and others lose. Requires no new funding.

Displays Districts Losing Funds

Displays Districts Gaining Funds

Displays Amount Per Capita for Adults & Children

Note: Methodology used to determine Civil Hospital Bed Utilization - Civil bed days utilized in 04/05 by committing district times cost per day in respective state facility.



Substance Abuse Program  
Equity Analysis for FY 2005-2006  
(REDISTRIBUTION OF BASE - ALL DISTRICTS)

	District 1	District 2	District 3	District 4	District 7	District 8	District 9	District 10	District 11	District 12	District 13	District 14	District 15	Region (23)	Total
<b>Children's Substance Abuse</b>															
2005 Target Population	15,158	13,686	11,164	28,678	39,452	18,275	23,097	30,017	56,999	10,323	16,530	11,966	10,201	58,171	343,727
FY 05-06 Allocations	\$ 3,234,307	\$ 3,259,596	\$ 2,211,596	\$ 5,436,200	\$ 8,288,257	\$ 3,574,736	\$ 4,350,281	\$ 6,012,330	\$ 10,435,004	\$ 2,702,037	\$ 3,288,089	\$ 2,777,202	\$ 2,346,984	\$ 13,211,214	\$ 71,127,833
Per Capita Funding	\$ 213.37	\$ 238.00	\$ 198.10	\$ 189.56	\$ 210.08	\$ 195.61	\$ 188.35	\$ 200.30	\$ 183.07	\$ 261.75	\$ 198.92	\$ 232.09	\$ 230.07	\$ 227.11	\$ 206.93
Additional Funding Required for Equity	\$ -	\$ -	\$ 98,571	\$ 498,138	\$ -	\$ 206,909	\$ 429,181	\$ 199,088	\$ 1,359,799	\$ -	\$ 132,464	\$ -	\$ -	\$ -	\$ 2,924,150
<b>Reallocation of Existing Funds Based on a</b>															
Statewide Per Capita Rate of \$206.93	\$ 3,136,663	\$ 2,834,129	\$ 2,310,180	\$ 5,934,372	\$ 8,163,849	\$ 3,781,667	\$ 4,779,489	\$ 6,211,453	\$ 11,794,870	\$ 2,136,151	\$ 3,420,572	\$ 2,476,138	\$ 2,110,905	\$ 12,037,394	\$ 71,127,833
% Loss/Gain	(97,644) \$ -3.02%	(425,467) \$ -13.05%	98,584 \$ 4.46%	498,172 \$ 9.16%	(124,408) \$ -1.50%	206,931 \$ 5.79%	429,209 \$ 9.87%	199,123 \$ 3.31%	1,359,866 \$ 13.03%	(565,088) \$ -20.94%	132,483 \$ 4.03%	(301,064) \$ -10.84%	(236,079) \$ -10.06%	(1,173,820) \$ -8.89%	-
<b>Adult Substance Abuse</b>															
2005 Target Population	45,548	50,474	41,252	81,076	143,101	66,417	80,771	111,188	162,321	36,916	56,974	42,032	33,712	205,701	1,157,483
FY 05-06 Allocations	\$ 4,535,612	\$ 4,797,710	\$ 3,880,735	\$ 7,782,428	\$ 13,361,866	\$ 6,275,556	\$ 7,603,326	\$ 9,993,808	\$ 17,862,532	\$ 6,390,299	\$ 5,349,840	\$ 3,961,553	\$ 3,268,431	\$ 19,045,459	\$ 114,109,175
Per Capita Funding	\$ 99.58	\$ 95.05	\$ 94.07	\$ 95.99	\$ 93.37	\$ 94.49	\$ 94.13	\$ 89.88	\$ 110.04	\$ 173.10	\$ 93.90	\$ 94.25	\$ 96.95	\$ 92.59	\$ 98.58
Additional Funding Required for Equity	\$ -	\$ 178,017	\$ 185,887	\$ 210,044	\$ 745,010	\$ 271,832	\$ 359,079	\$ 967,105	\$ -	\$ -	\$ 266,657	\$ 181,961	\$ 54,898	\$ 1,232,546	\$ 4,653,036
<b>Reallocation of Existing Funds Based on a</b>															
Statewide Per Capita Rate of \$98.58	\$ 4,490,299	\$ 4,975,923	\$ 4,066,783	\$ 7,992,787	\$ 14,107,453	\$ 6,547,646	\$ 7,962,719	\$ 10,961,345	\$ 16,002,235	\$ 3,639,323	\$ 5,616,718	\$ 4,143,678	\$ 3,323,460	\$ 20,278,804	\$ 114,109,175
% Loss/Gain	(45,312.73) \$ -1.00%	178,213.29 \$ 3.71%	186,047.82 \$ 4.79%	210,359.22 \$ 2.70%	745,566.56 \$ 5.58%	272,089.96 \$ 4.34%	359,392.81 \$ 4.73%	967,537.16 \$ 9.68%	(1,860,296.37) \$ -10.41%	(2,750,975.74) \$ -43.05%	266,878.28 \$ 4.99%	182,124.61 \$ 4.60%	55,029.28 \$ 1.68%	1,233,345.84 \$ 6.48%	-



# **PARTNERSHIP *for* STRONG FAMILIES**

## **Title IV-E Waiver House Health Care Appropriations Committee**

*Presented by:*

**Steven J. Murphy, President and CEO**  
Partnership for Strong Families

**Don Winstead, Deputy Secretary**  
Department of Children and Families

January 12, 2006



# Key Points

PARTNERSHIP  
*for*  
**STRONG  
FAMILIES**

- Federal child welfare funding is inconsistent with statutory goals and good casework practice:
  - Emphasizes out of home care
  - Complex eligibility rules
  - Inflexible funding restrictions
  - Emphasizes process rather than outcomes



# The Proposal in Brief

PARTNERSHIP  
*for*  
**STRONG  
FAMILIES**

- The Proposal in Brief
  - Permit IV-E foster care funds to be used for any child welfare purpose.
  - Includes prevention, diversion from out-of-home care, intensive in-home services, reunification and permanency as well as for out-of-home care.
  - Receive a defined amount of federal funds over 5 years based on what state would have received under IV-E rules.
  - Evaluate success based on outcomes

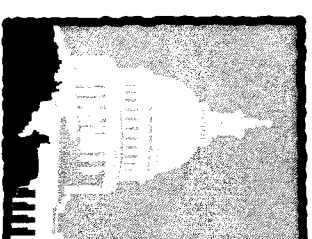
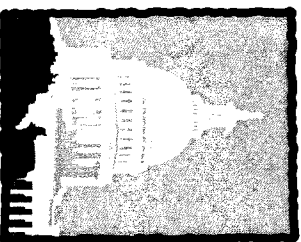


PARTNERSHIP

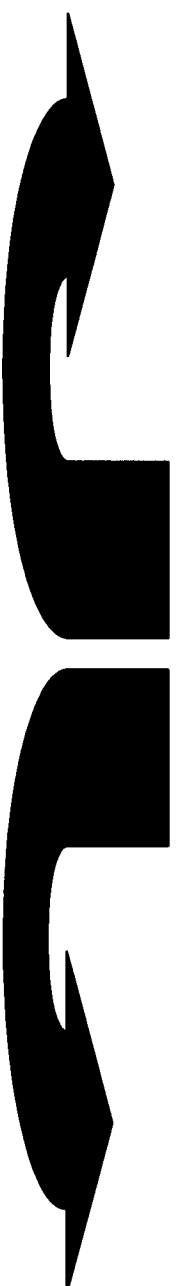
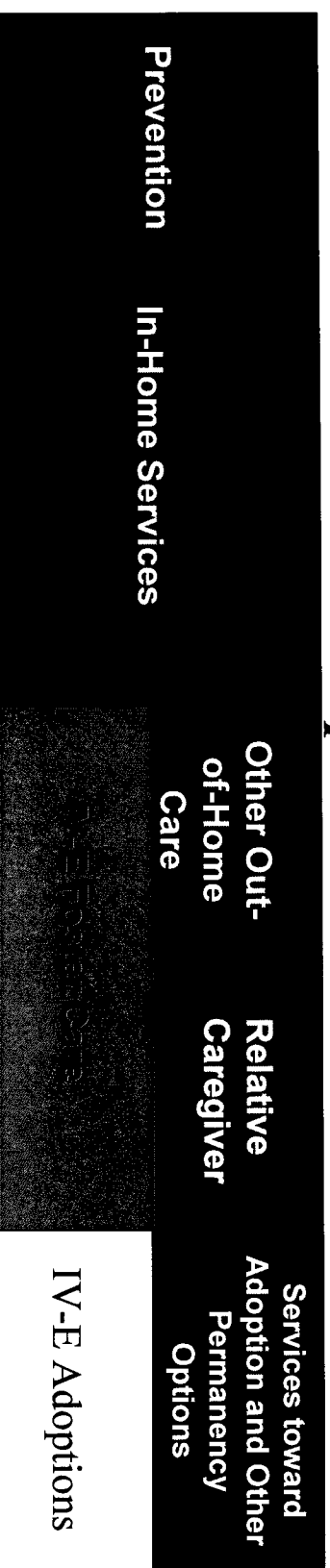
for

**STRONG  
FAMILIES**

# A Continuum of Services & Funds- Current



*From:  
Money Follows the Federal  
Requirements*



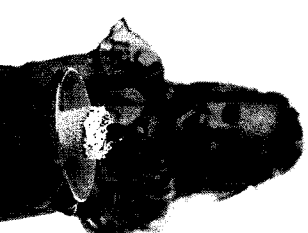
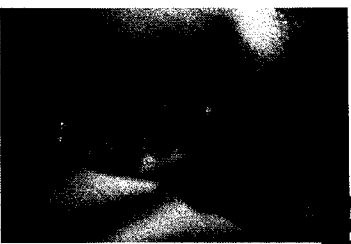
Reunification

Permanency



# A Continuum of Services & Funds - Proposed

**PARTNERSHIP  
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FAMILIES**



**To:**

# Money Follows the Child

		Relative Caregiver	
IV-E Adoptions			

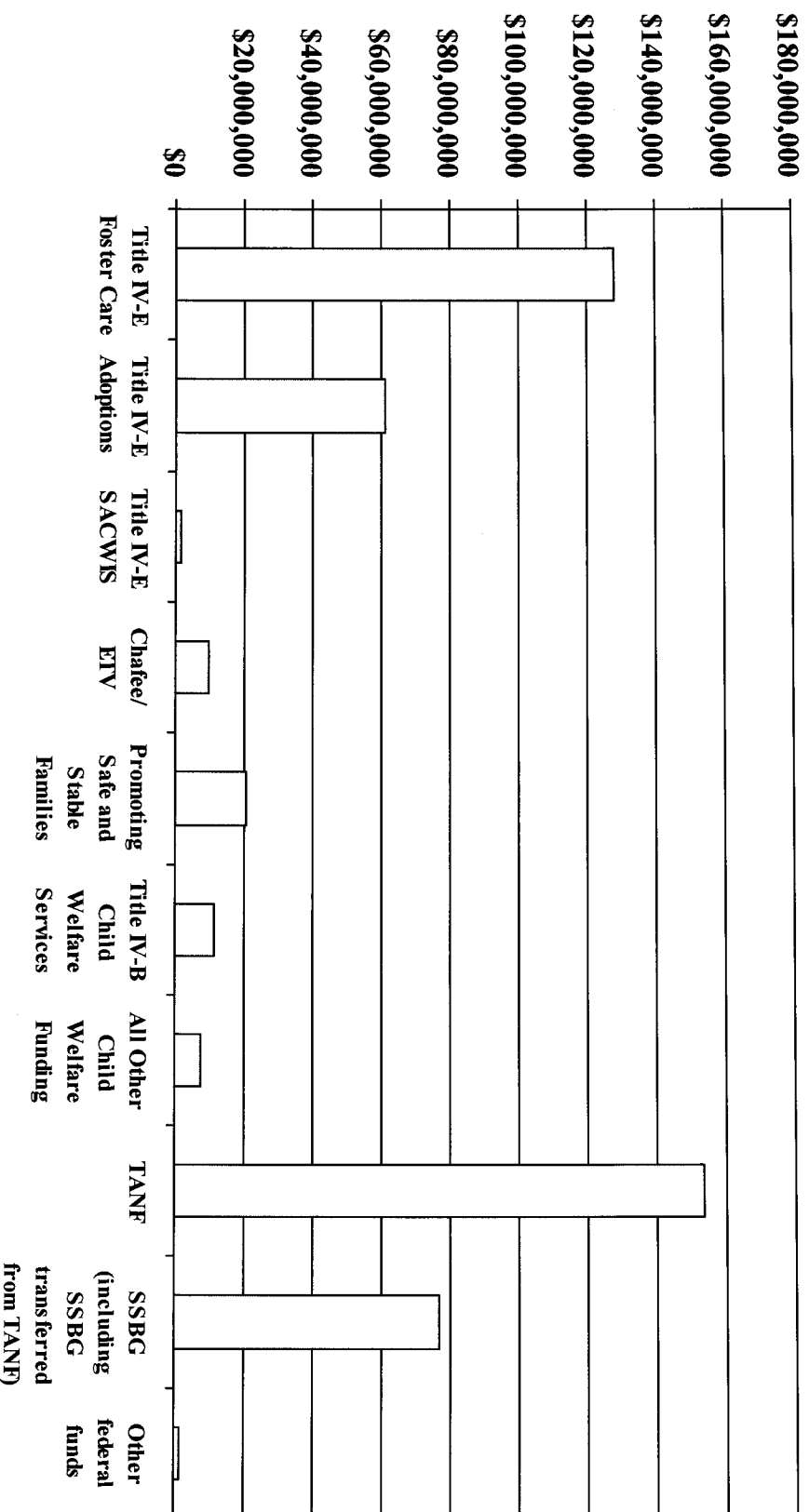
# Reunification

## Permanency



# Federal Funding SFY 2005 – 2006 All Child Welfare Programs

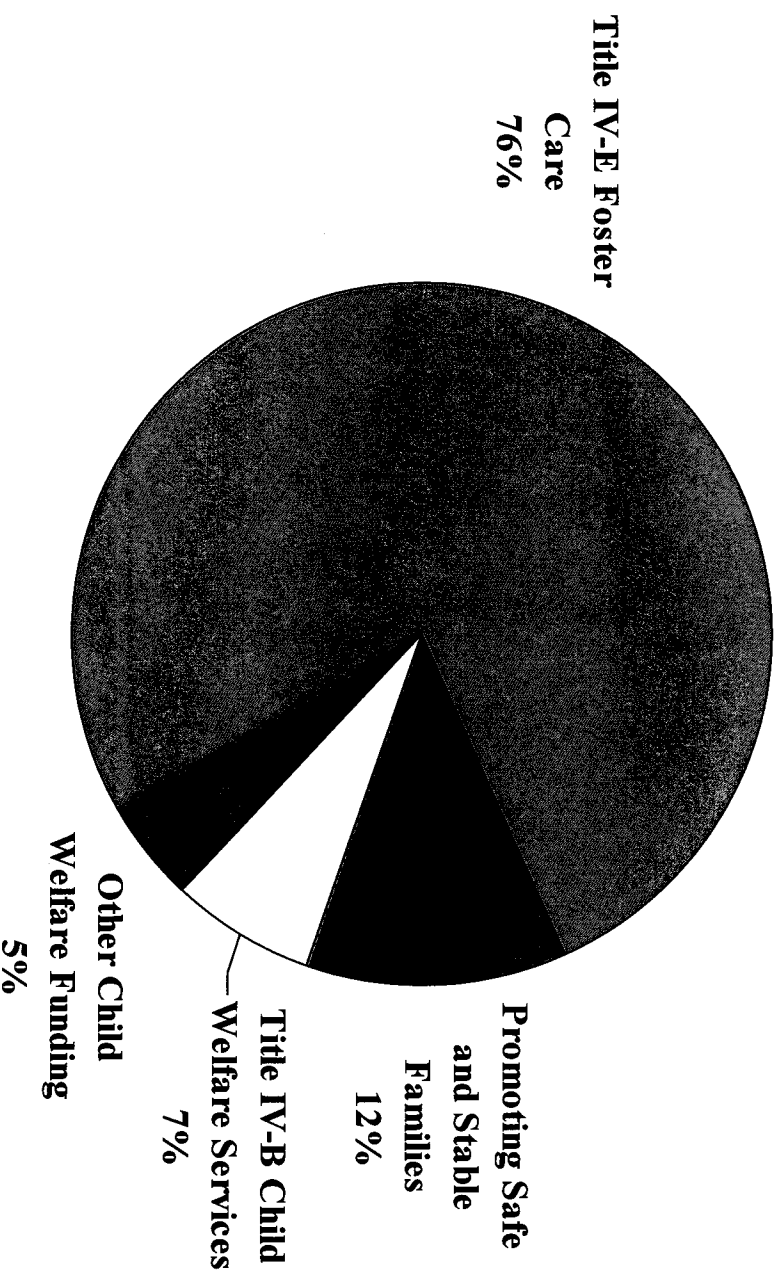
PARTNERSHIP  
for  
**STRONG  
FAMILIES**





# IV-E Foster Care Funding Compared to Other Child Welfare Funding\*

PARTNERSHIP  
for  
**STRONG  
FAMILIES**



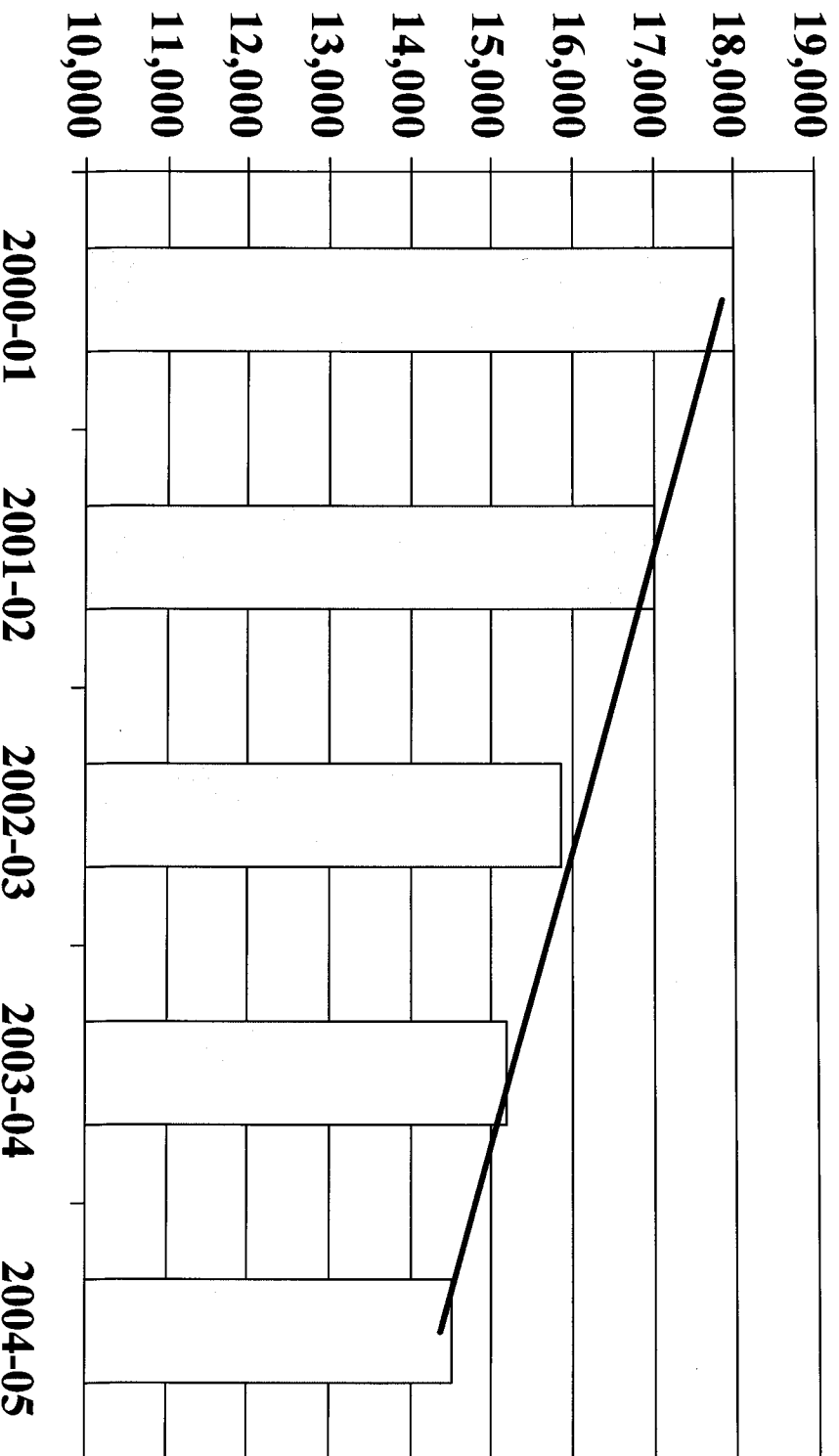
\* Does not include TANF, SSBG, Adoptions or Chafee/ ETV Funding





# Children in Licensed Out-of-Home Care By Fiscal Year

PARTNERSHIP  
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FAMILIES**



Based on children in state custody reports



# Advantages

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- Aligns funding incentives with program goals and good practice.
- Reductions in high-cost out-of-home care can be invested in services.
- Provides savings in administration and eligibility



# Risks and Mitigation

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- Unanticipated increase in foster care caseload.
- Congressional action that changes the statutory framework
- To mitigate these risks, the proposal includes a one-time option for the state to terminate the demonstration if continuation is contrary to the interest of the state and an option to terminate the demonstration if federal legislation is enacted.



## Examples of How Families Could Better Be Served

- More children could stay with their families through the provision of intensive in home services.
- Placement and service decisions will be based on the least restrictive setting versus funding source.
- Families will get the service mix they need instead of the program we have available.
- More families will be involved in their own case planning due to providing services in the least restrictive setting.



# **TITLE IV-E WAIVER CHILD WELFARE DEMONSTRATION PROJECT**

**Submitted to:  
Department of Health and Human Services  
Administration for Children and Families**

**November 2005**

Florida Child Welfare Demonstration Project  
November 2005

**Florida Department of Children and Families  
Office of the Secretary  
1317 Winewood Avenue  
Tallahassee, FL 32399-0700  
850/487-1111**

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## Overview of Proposal

This proposal requests waivers to title IV-E of the Social Security Act in order to demonstrate a more effective approach to achieving child welfare outcomes in Florida. Florida proposes the demonstration project in accordance with section 1130 of the Act, by which the Secretary may authorize states to conduct demonstration projects likely to promote the objectives of parts B or E of Title IV.

For the past several years, the President's budget has included a proposed Child Welfare Program Option. Florida is proposing to demonstrate the feasibility of this approach through existing waiver authority. Approval of the waiver request will enable the state to accomplish critical goals for its foster care program more effectively and will enable the Administration for Children and Families to show that the Child Welfare Program Option can be successfully implemented on a statewide basis.

For the state, the key goals of this demonstration will be to:

- Enhance permanency by providing services that help families remain intact wherever possible; and where that is not possible, by getting children back with their families or in other permanent settings more quickly;
- Maintain safety and well-being for children; and
- Ensure sound fiscal stewardship.

These Florida goals are entirely consistent with the three Adoptions and Safe Families Act goals of safety, permanency, and well-being, as well as the outcomes associated with this Act. The need of children for permanency requires that services should be provided to strengthen families so that children can be maintained safely in their own homes whenever possible; and, when temporary removal is necessary, services should be provided to strengthen families to promote reunification. Only if neither of the preferred goals is possible, should other permanency options should be pursued.

Although there is a national consensus on the mission, goals and outcomes of child welfare, the financing of child welfare has not kept up with the revised mission of child welfare, and in a number of ways is contrary to this direction. This proposed demonstration will achieve better alignment between child welfare resources and child welfare outcomes.

**The Conflict Between Federal Funding and Federal Outcomes.** To achieve the stated mission, all goals and outcomes of child welfare should be aligned with the resources provided to meet those goals. Ideally, the resources should be focused on strengthening families; first to prevent unnecessary removal and placement, and secondarily, when temporary removal is required for safety, to promote timely reunification. The current approach to federal funding of child welfare gives disproportionate weight to maintaining children in foster care, with only a token level of funding for prevention of abuse and neglect and for promotion of family preservation, reunification, and case work towards alternate permanency goals. Federal funding

requirements for child welfare grew out of outdated requirements for the defunct Aid to Families with Dependent Children (AFDC) program. While this program has been repealed, the eligibility requirements of AFDC are still used to determine eligibility for title IV-E. This means that the significant majority of federal funds available for foster care rely on cumbersome and complex eligibility requirements and are inconsistent both with the direction of federal law and with good casework practice.

**The Administration's Proposed Child Welfare Program Option (CWPO).** According to the President's budget and Congressional testimony by Dr. Wade Horn, Assistant Secretary of the Administration for Children and Families (ACF)<sup>1</sup>, the Administration has proposed an alternative funding option to provide states with a more flexible environment so they can design more effective ways to strengthen services and develop a seamless child welfare system. The CWPO would include dollars currently estimated for the existing title IV-E foster care maintenance payments program and the associated administrative costs. States could use title IV-E funds for purposes related to both title IV-B and title IV-E including foster care payments, prevention activities, permanency efforts (including subsidized guardianships), case management, administrative activities, training child welfare staff, and other service-related child welfare activities -- a far broader range of uses than allowed under current law. The proposal would provide states with the flexibility to develop a child welfare system that supports a continuum of services to families in crisis and children at risk while removing the administrative burden of many of the current Federal requirements, such as the need to determine the child's eligibility for AFDC. Because Congressional action on this proposal has not yet occurred, it would be consistent with section 1130 of the Social Security Act, Authority to Approve Demonstration Projects, for the Secretary to approve a statewide demonstration of the effectiveness of this approach to child welfare financing.

**Florida's Outcomes.** Florida has made significant progress in improving performance on child welfare outcomes, but continued progress will be difficult due to increasing barriers related to funding. The substantial gains in improving timely permanency and well-being without compromising safety could continue if the resources were refocused to protect more children in their own homes and to provide more effectively for permanency. Florida's waiver request to use foster care funds more flexibly to provide an improved array of services to strengthen families will promote improved performance on all federal permanency and well-being measures without compromising safety as reflected in the safety measures.

**Specific Waiver Request.** Florida requests approval to waive the existing title IV-E requirements consistent with the Child Welfare Program Option. Specifically, this proposal is to permit use of a defined annual level of federal funds for any title IV-B or title IV-E purpose. *The level of funding will be based on estimates of what Florida would have received in title IV-E foster care funds under the current regulations if current trends were to continue and if the state continued to operate the program in the absence of the Child Welfare Program Option.* The proposed period of the demonstration is five years.

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<sup>1</sup> Statement of The Honorable Wade F. Horn, Ph.D., Assistant Secretary, Administration for Children and Families, U.S. Department of Health and Human Services; Testimony Before the Subcommittee on Human Resources of the House Committee on Ways and Means, June 11, 2003

The target population is all children referred for child abuse or neglect or already receiving services during the waiver period, regardless of removal status, placement type, services provided or eligibility for public assistance. The proposal includes Title IV-E funding for:

- foster care maintenance assistance payments,
- foster care administration and related costs including, case planning and management, pre-placement activities, eligibility determinations, SACWIS (State Automated Child Welfare Information System) operational costs, and other administrative expenditures including adoption subsidy eligibility, and
- foster care state and local training.

The proposal excludes:

- SACWIS funding other than operational costs, and
- adoption assistance.

**Service Array.** The proposed waiver will provide funding flexibility to shift services from out-of-home care toward a wide array of services including, but not necessarily limited to:

- Early intervention in situations of developing need and actual crisis;
- Diversion from out-of-home placement, through such means as providing immediate funding to reduce short term family stressors, and identifying and accessing family supports through such means as family team conferencing;
- Expedited permanency through reunification where feasible;
- Evidence-based, interdisciplinary and team-based approaches, for providing services in the home before, as well as, after removal;
- Training for staff in service delivery and supervisory practices that support improved outcomes;
- Services based on assessment of child and family characteristics, not on what funding is available; and
- Long term supports for families to avoid re-abuse or re-neglect.

**Specific Provisions to Be Waived.** This proposal requests that the Secretary waive the following provisions of the Social Security Act in order to permit Florida to conduct the demonstration:

- Section 470, related to eligibility for assistance;
- Section 471(a)(1), related to foster care payments;
- Section 471(a)(5), related to program administration;
- Section 472, except that children in foster care shall continue to be eligible for Medicaid under title XIX and shall continue to be considered a dependent child for purposes of title XX, consistent with the provisions of section 472(h)(1);

- Section 474(a)(1), related to foster care maintenance payments;
- Section 474(a)(3), related to foster care administration but excluding section 474(3)(C) related to planning, design development or installation of a SACWIS project; and
- Section 474(b) (1), related to quarterly payments to the state, to the extent such provisions are inconsistent with the proposed demonstration project.

**Cost Neutrality Requirement.** Florida is a state with a rapidly growing population, so it is reasonable to anticipate that title IV-E expenditures will continue to grow over the next five years. This proposal includes detailed estimates of title IV-E expenditures through fiscal year 2010. Florida proposes to demonstrate cost neutrality to the federal government by accepting fixed funding, consistent with what Florida would have reasonably been expected to receive over this period, in accordance with these estimates. Florida estimates reasonably anticipated title IV-E funding foster care funding to be as follows:

Federal Fiscal Year	Projected Federal Funds
2006	\$146,172,675
2007	\$157,721,304
2008	\$169,269,932
2009	\$180,818,560
2010	\$192,367,189
<b>Total Five Year Estimate</b>	<b>\$846,349,660.00</b>

**Evaluation.** The effectiveness and efficiency of more flexible use of foster care funds have been adequately demonstrated through smaller scale demonstrations already completed in several states. Rather than to seek once again to demonstrate this efficacy through a small scale random assignment evaluation, Florida proposes to demonstrate the effectiveness of the Child Welfare Program Option by defining a set of expected outcomes and by measuring achievement of these outcomes over the demonstration period. In order to provide objective findings upon which to base an assessment of the feasibility of implementation of the Child Welfare Program Option in other states, Florida proposes to contract for an independent evaluation of the demonstration. The evaluation will include a process evaluation of the implementation of the project as well as objective assessment of the outcomes that would demonstrate success in achievement of the project's goals.

**Risk Mitigation.** Changing from an uncapped federal entitlement funding source to a defined funding level for five years involves substantial risk for the state. To mitigate this risk, Florida proposes that the terms and conditions for the demonstration include a provision to allow it to opt out of continuation with the demonstration in two circumstances:

- A one-time option if Florida determines continuation of the demonstration is contrary to the interest of the state, or
- An option to terminate the demonstration upon enactment of the Child Welfare Program Option or a substantially similar Act during the five-year demonstration period.

## I. Evolution of Child Welfare in Florida

### A. Florida Growth in Child Population

Florida's population of children is growing significantly, according to both Florida projections and national estimates. This means that, all other things being equal, there will be more children and families at risk of or involved with child abuse and neglect. The American Community Survey (ACS) has been developed by the Census Bureau to provide population estimates annually. Currently, ACS data is available for 2000 through 2004.<sup>2</sup> The following table compares ACS data on children (persons under age 18) for Florida and the U.S. These data were calculated by subtracting the number of persons age 18 and older from the total population.

**Table 1. Recent Trends in Child Population (Persons under age 18)**

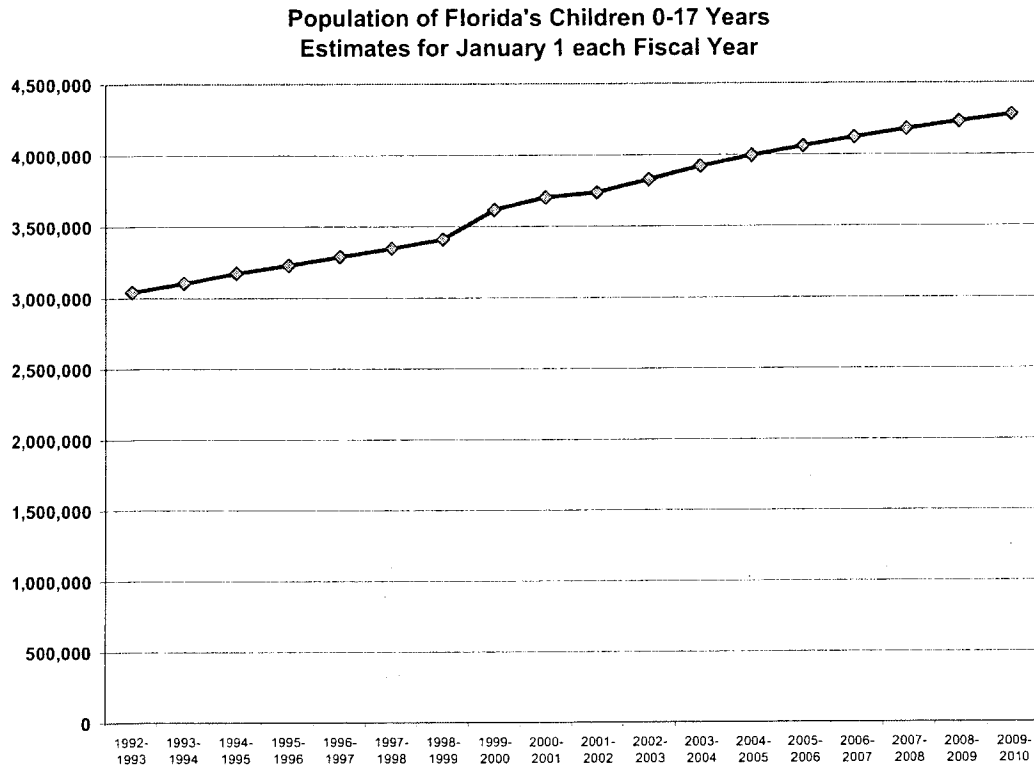
Year	Children in U.S.	Children in Florida
2000	71,836,274	3,625,236
2001	72,143,220	3,811,490
2002	72,461,148	3,857,839
2003	72,634,422	3,904,155
2004	72,924,304	3,982,879
<b>Total Change</b>	<b>+1,088,030</b>	<b>+357,643</b>
<b>Percent Change</b>	<b>1.51%</b>	<b>9.87%</b>
<b>Percent of U.S. Change due to Florida</b>		<b>32.9%</b>

As this chart shows, ACS data indicate that the percentage increase of children in Florida over the period 2000 to 2004 is over six times the percentage increase in the U.S. Furthermore, the growth in children in Florida accounts for almost one-third of the increased number of children in the U.S.

Florida projects that this steep growth trend will continue. The Office of Economic and Demographic Research of the Florida Legislature estimates that the number of children in Florida will approach 4.3 million during 2010 (see Figure 1).

<sup>2</sup> This survey is expected to replace the Census "long form" ultimately so that demographic data will be available without waiting for the next decennial census.

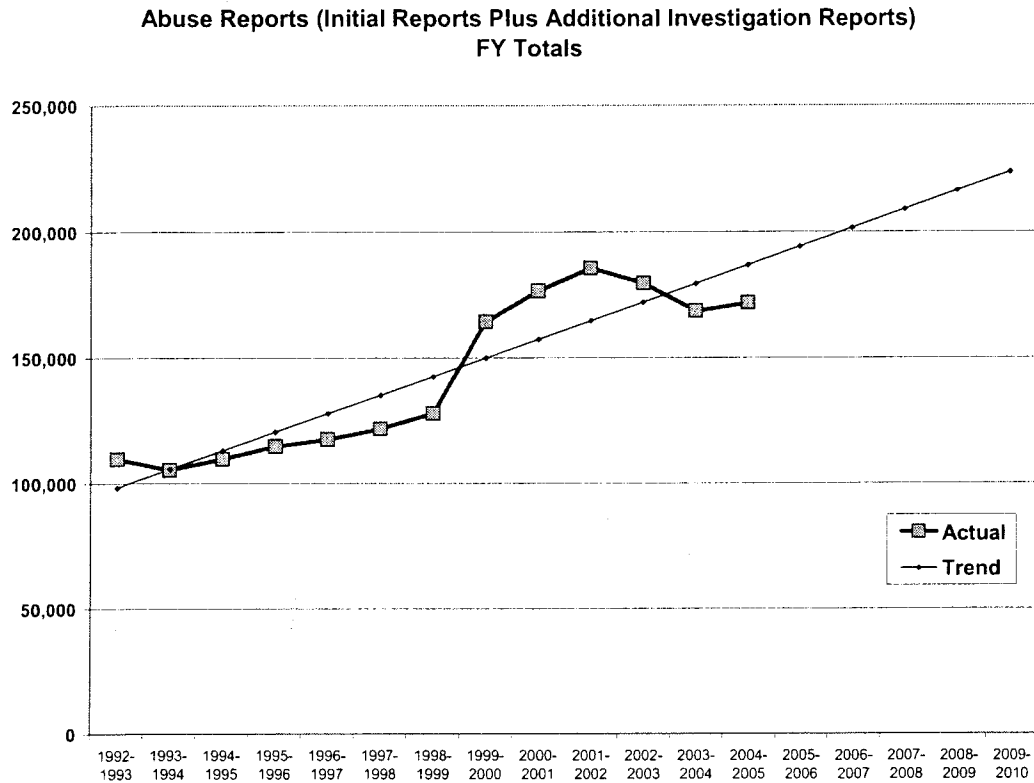
**Figure 1. Child Population Trend and Projection**



**Source: Florida Legislature, Office of Economic and Demographic Research, Demographic Estimating Conference Database, updated June 2000 and March 2005**

Within the context of the overall child population increase, the next important driver of the need for child welfare services is the number of reports of abuse or neglect. Though high-profile cases and other external factors affect reporting rates and therefore also the number of abused and neglected children identified as in need of services, the general trend of reports is also upward (See Figure 2).

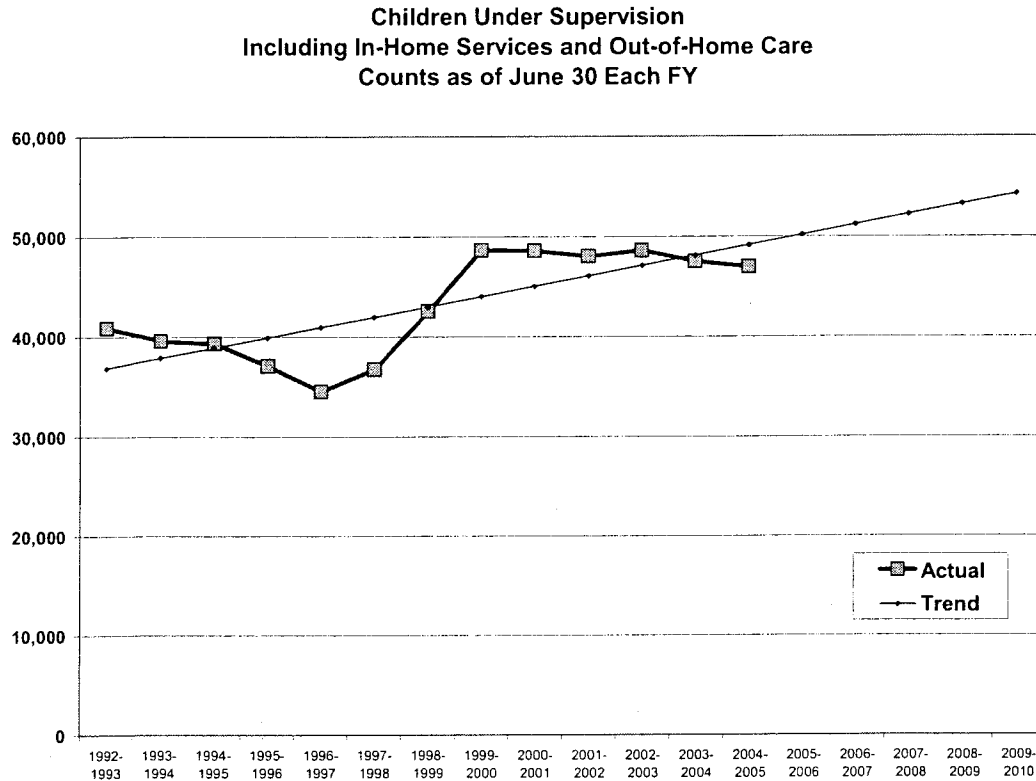
**Figure 2. Abuse Report Trend and Projection**



**Sources:** Florida Abuse Hotline Information System (through FY 2001/02) and HomeSafenet Child Safety Assessment (with estimation during data system changeover year)

The overall need for child welfare services as represented by children in care/under supervision has generally increased (see Figure 3). In recent years this trend appears to be reversing, but as will be discussed later in this proposal, there are significant barriers to continuing to achieve success in keeping children out of care and finding timely permanency.

**Figure 3. Children Under Supervision**



Sources: Client Information System, Protective Services Monthly Statistical Report, Number of Children Active on June 30 Each Year. HomeSafenet report "Children and Young Adults Active as Case Dependents by Primary Worker," as of 6/30 each fiscal year.

### **B. Experience with Community-Based Care**

In 1996, the Florida Legislature began an initiative relating to child welfare system reform through private delivery of services that is broad and unequalled in size and scope throughout the nation. As stated in current statute,

*It is the intent of the Legislature that the Department of Children and Family Services shall outsource the provision of foster care and related services statewide. It is further the Legislature's intent to encourage communities and other stakeholders in the well-being of children to participate in assuring that children are safe and well-nurtured. (section 409.1671, Florida Statutes)*

The implementation of Community-Based Care accelerated in state fiscal year 2003 – 2004 with statewide expansion being achieved in early 2005.

*Speaking as a CFO who has come from the private sector, I am still amazed at how much of my time is taken up wrestling with the State and federal complexities, and defending our actions to the oversight people. I am guessing that a full 50% of my time is taken up with these issues. I can also say with absolute certainty that we spend close to a million dollars a year to manage federal eligibilities.*

Peter Greenhough, Chief Financial Officer  
ChildNet, Inc., Broward County



Currently, the entire state service delivery system for foster care and related services is provided through contracts with 22 private-nonprofit lead agencies. Implementation of Community-Based Care has brought a fresh perspective on decades of historic practice related to federal and state approaches to this field, and many long-standing ideas about the way “things should work” are being appropriately challenged.

Figure 4. CBC Map



### C. Commitment to Improvement and Excellence

Florida remains committed to building and maintaining a child welfare system that will be a national model. The state has made significant progress as a result of multiple factors;

- Focus on practice and outcomes has been driven by the federal Child and Family Services Review process, and is exemplified by the steps taken during our Program Improvement Plan implementation.
- The Florida Legislature’s performance-based program budgeting initiative. State agencies, including DCF, have been working on the link between resources and client outcomes, not just process or compliance, for more than a decade.

Numerous studies have suggested that increased community collaboration and the encouragement of community supports may be one of the most effective strategies in increasing positive child outcomes and decreasing recidivism in the child welfare system. Yet, funding restraints and other bureaucratic limitations often restrict the amounts and types of community resources public child welfare agencies can utilize for children and families in the system.

Armstrong, M. *et al.* (2005) *Statewide Evaluation of Florida’s Community-Based Care: 2005 Final Report*. Tampa, FL: University of South Florida, Florida Mental Health Institute .

- In recent years, performance-based contracting has also become a legislative focus, and all community-based care contracts include high level outcome expectations.

However, there are many areas in which improvement continues to be necessary. Some of these may be amenable to continued intervention in practice and policy arenas, but it is becoming apparent that restrictions in service choice and availability because of funding limitations may impair the state's ability to achieve the maximum possible level of improvement.

## II. Project Rationale and Design

### A. Statement of the Problem

Florida is hampered in its ability to provide appropriate services and achieve excellence in safety, permanency, and well-being outcomes for children and their families due to title IV-E funding inflexibility and burdensome administrative requirements. The inflexibility of the title IV-E regulations prevents the state from meeting the goals of the Adoptions and Safe Families Act.

Florida transitioned to a community-based care system for child welfare based on the premise that agencies closely affiliated with the local community could best initiate and maintain solutions to meet local needs. To function effectively, however, agencies require flexibility to be innovative, improve the system of care, and meet the Adoptions and Safe Families Act outcome measures as evaluated in the Child and Family Service Reviews and the State Assessments. Under the current federal regulations, providers have been challenged to create an innovative system with inflexible funds.

#### 1. Barriers to Appropriate Services

**The most significant funding source for child welfare, title IV-E, restricts both the types of services and the settings where they can be delivered and is, therefore, not conducive to strength-based child and family-centered practice.** While Promoting Safe and Stable Families (a smaller fund source) was redefined in order to address the goals of the Adoptions and

#### **One family's story.**

Mary Smith adopted four siblings from foster care. The children had significant needs, including severe reactive attachment, and a history of sexual abuse and trauma. Ms. Smith proactively engaged with the teachers and day care workers of her children, in an effort to ensure they had the skills and knowledge to address her children's needs. The family even paid for residential treatment and specialized reactive attachment treatment for one of the children. However, problems continued and grew. The last straw came when the mother and a reactive attachment specialist had a comprehensive in-home service plan denied by the child welfare agency due to funding restrictions. The most severely affected child was placed in residential treatment instead. When Medicaid funding was terminated, the residential treatment center abruptly discharged the child against the parent's wishes. The mother felt forced to conclude she had exhausted all means to meet this child's complex needs. To ensure she could invest her energy in maintaining the other siblings with their own complex needs, she is proceeding with a termination of parental rights, and the child is returning to foster care.

*The message of this story? If the child welfare funding designated for out-of-home care could have been used more flexibly to meet the unique needs of this child and family within a community setting, this family might have been able to stay together. While cost would have been high, it would have cost much less than residential placement.*

Safe Families Act (ASFA), Congress did not provide additional federal dollars to support states' efforts in achieving these goals. In effect, a funding gap has been created, making it difficult for states to support the federal system of care model. For example, the well-being outcome of "Families have enhanced capacity to provide for their children's needs" in the Child and Family Services Review assesses a state's status on the item "Child and family involvement in case planning." However, such services as parental education are not covered services. Waiver authority to provide such services would enable Florida to address many such items that were identified as weaknesses in the CFSR and prepare for the next review cycle.

## **2. Restrictions on Eligibility for Children**

**Title IV-E uses income eligibility requirements tied to the former AFDC program.** This arcane requirement eliminates many children from being eligible for title IV-E. Further, the income eligibility restriction is frozen by date at a level that is not consistent with current levels of income. Some counties in Florida report that about 25% of dependent children entering dependency today do not qualify for title IV-E support as a consequence of family income levels.

## **3. Unintended Consequences of Historic Funding Approach**

***The current title IV-E funding system is intended to support only those children in foster care settings, and it provides no incentive to focus on preventing children from coming into care.*** Existing Title IV-E funding restrictions are inhibiting the use of funds to support placement types essential for many children now in the child welfare system; historic funding supports only traditional placement types which can no longer meet the needs of all the children entering the foster care system today. The inability of traditional foster care settings to maintain these children has resulted in placement stability issues, as funding limitations push children into inappropriate settings. The Child and Family Service Review process has identified placement stability as a Performance Improvement Plan issue for Florida, but funding restrictions do little to help Florida resolve these issues.

The Child and Family Service Reviews assess whether the services provided are sufficient and appropriate to protect children and strengthen families in order to promote stability and permanence for their children. ***Since title IV-E funding is provided for removing children and keeping them in government-subsidized care, it provides a perverse incentive against the Adoption and Safe Families Act outcomes.*** Many organizations have identified this issue. For example, the Pew Commission states "Because funding for safe alternatives to foster care is so limited, states use placement in foster care more than they might otherwise. Foster care is often seen as the only available way to respond to children at risk, both in terms of the numbers of children placed in care and the length of time they stay there."<sup>3</sup>

## **B. Proposed Project Solution**

As articulated in Congressional testimony of Secretary Horn, the Administration has proposed an alternative child welfare funding strategy that would provide, among other things, "a more

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<sup>3</sup> Pew Commission on Children in Foster Care. (May, 2004) *Fostering the Future: Safety, Permanence and Well-Being for Children in Foster Care*

flexible environment so [states] can design more effective ways to strengthen services to vulnerable children and families and to further the goal of helping States develop a seamless child welfare system.”<sup>4</sup> Florida proposes to provide a statewide laboratory where such a funding strategy can be demonstrated to be more effective and efficient, as well as result in significant improvement in the lives of children and families. With continued focus on the far-reaching goals set by ASFA, this groundbreaking partnership among the state government, community-based care service providers, and communities provides a unique environment to test improvements in the service array that will lead to more timely permanency and enhanced well-being for children without compromising safety or increasing long-term costs. The proposed project will apply title IV-E funding toward a program intervention based on an **improved service array**, which **addresses the needs** of the full range of children and families, with **funding flexibility**.

The proposed demonstration project will be initiated as soon as terms and conditions can be developed, with the anticipated start date being during Federal Fiscal year 2005/06. Progress toward project goals will be measured throughout the life of the 5-year project, with annual assessment of overall status.

### **1. Proposed Program Intervention: Improved Service Array**

The primary goal of the proposed intervention is to improve client outcomes by allowing

available funds to be used with greater flexibility to provide in-home services as well as out-of-home care.

Furthermore, Florida seeks to remove administrative barriers to service delivery through elimination of the arcane and cumbersome eligibility requirements related to title IV-E foster care services. The focus will be on achieving optimal outcomes for safety, permanency, and well-being. This will allow an improved service array with the following major components:

- Early intervention in situations of developing need, not just in situations of actual crisis;
- Diversion from out-of-home placement through immediate funding to reduce short term family stressors (house payment, referral to child care, etc.), and through family supports such as family team conferencing;

#### **Another family's story:**

“CONNIE IS REPORTED TO THE CHILD ABUSE HOTLINE by the nurse at the clinic where her two-year-old son Tommy is treated. Tommy has chronic diaper rash and head lice. A child protective services worker visits the apartment where Connie and her husband, John, live. The worker notices that the apartment is dirty. Connie appears to have mild mental retardation, with few skills for managing a household or a toddler. John is unemployed, and the family is having a hard time making ends meet. In spite of these problems, both parents seem nurturing toward Tommy, and they are genuinely concerned about him. The worker thinks resources may be available that could help the family take better care of their boy.” *Families as Partners in Decision Making*, *Safekeeping*, Vol. 2, number 1, spring 1997, Center for the Study of Social Policy, Washington, DC.

If this worker knows in-home service resources are available and does not have to depend on removing the child to assure his safety and well-being, she can help the family stay together. Such services would include home visitation, homemaker/housekeeping assistance and training, parenting skills training, funding for medical treatment, and referral to job assistance.

<sup>4</sup> Horn, W. F., *op. cit.*

- Expedited permanency through reunification where feasible or other options as appropriate;
- Evidence-based, interdisciplinary and team-based approaches, for providing preventative services in the home as well as services after removal;
- Training for staff in service delivery and supervisory practices to support improved outcomes;
- Services based on assessment of child and family characteristics, not on type of funding available; and
- Long term supports for families to avoid recidivism.

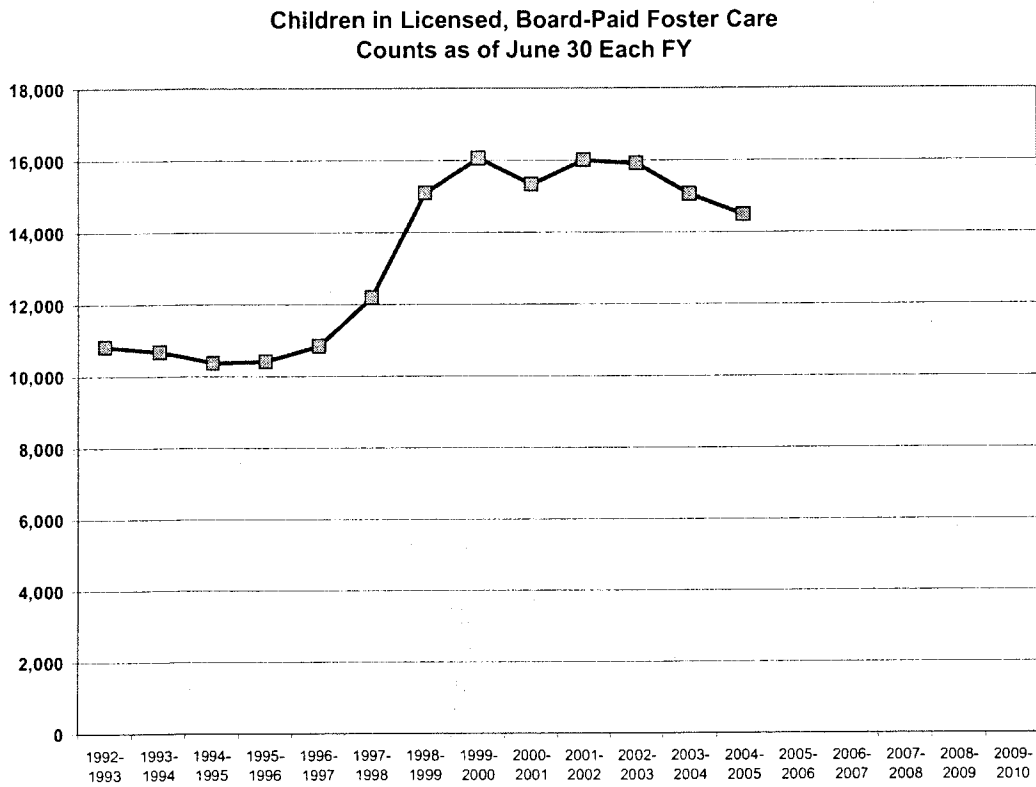
Some specific components of the service array that may be expanded with more financial flexibility include such evidence-based practices as Florida's Healthy Families program (with its emphasis on home visiting), and the Neighborhood Partnerships (and other uses of family team conferencing). The refocused service array will also take advantage of some cross-disciplinary efforts, such as expanding the use of Family Intervention Specialists (with expertise in families involved with substance abuse). Finally, the experiences of other states' demonstration projects may be integrated into Florida's program design as evidence emerges regarding their effectiveness; for example, Arizona's expedited reunification and Maine's post-adoption efforts.

## **2. Proposed Program Intervention: Target Population**

The target population for Florida's demonstration project will be broad, representing a significant portion of all children and families in need of child welfare services. The target population must be defined in the context of Florida as a growth state, as previously discussed. **Specifically, the children and families targeted to receive waiver funds will be all children who are receiving in-home services or who are in out-of-home placements at the beginning of the project period, and all new families with children alleged to be potential victims of abuse or neglect in reports to the child abuse hotline during the course of the project.**

As is illustrated in Figure 5, Florida's population of children in licensed foster care was increasing for several years. As a result of extraordinary successes in adoptions and other strategies for increasing timely permanency, this trend has been reversed. However, it is commonly accepted that the ability to fund less restrictive placements is a barrier to continuing these successes. With the proposed waiver authority, Florida intends to continue to reduce the out-of-home care population and either maintain at a lower level, or possibly even (with enhanced diversion), decrease the children served in their own homes.

**Figure 5. Licensed Foster Care, 1992-2005**

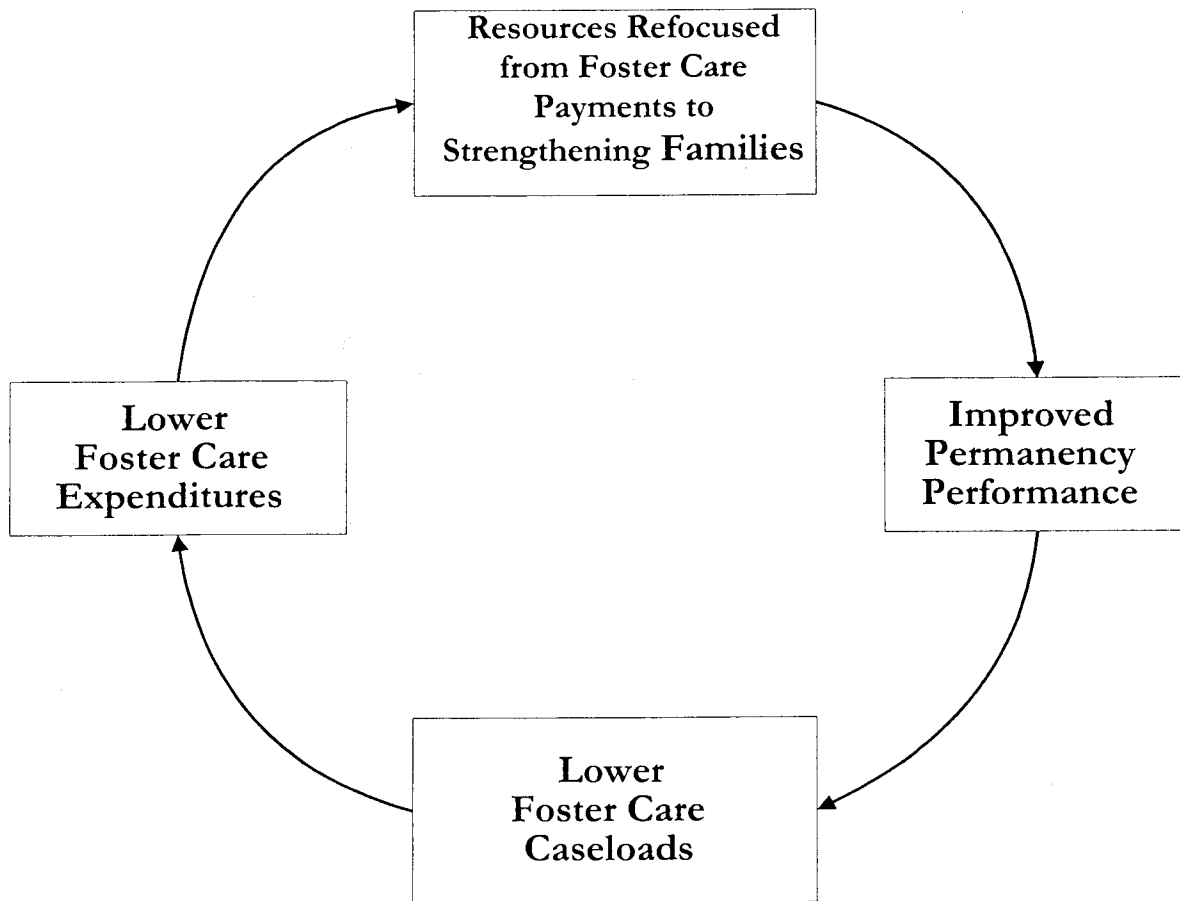


**Sources: Management Plan/Substitute Care Reports FYs 1992-93 - 2001-02; HomeSafenet "Children in Out-of-Home Care by Time in Care" Reports FYs 2002-03 - 2004-05**

### ***C. Project Goals and Outcomes***

The graphic below represents the relationship between the resources, goals, and service array changes in this proposal:

**Figure 6. Proposal Element Relationships**



#### **1. Goals**

Ultimately, the three Adoption and Safe Families Act goals are those that are most important for all states; that is, the primary results of any child welfare system must relate to well-being, permanency, and safety. Well-being is one of the most difficult goals; a waiver of funding requirements that tend to restrict focus to a placement rather than the child's overall well-being will provide further incentive to elevate this goal in importance. Safety is, of course, paramount and is to be achieved above all others. However, the primary goal of permanency is the one that is most relevant to title IV-E funding restrictions on service availability and the effects on desired outcomes for children and families.

For purposes of this demonstration project, it is essential to develop a balanced set of measures that can be relied upon to capture significant outcomes for children and families as measured against these goals as well as assess critical system components.

## **2. Outcome and Performance Measures**

Florida has made significant progress in improving performance on child welfare outcomes, but continued progress will be difficult due to increasing barriers related to funding. The substantial gains in improving timely permanency and well-being without compromising safety could continue if the resources could be reallocated to protect more children in their own homes. Florida's waiver request to redirect foster care maintenance payments to an improved array of services to strengthen families will promote improved performance on all federal permanency and well-being measures without compromising safety as reflected in the safety measures. In addition, the state will use alternate longitudinal measures of permanency ("entry cohorts" using SACWIS data) that do not have the unintended consequences (e.g., discouraging reunification after 12 months) of the federal measures based on AFCARS files.

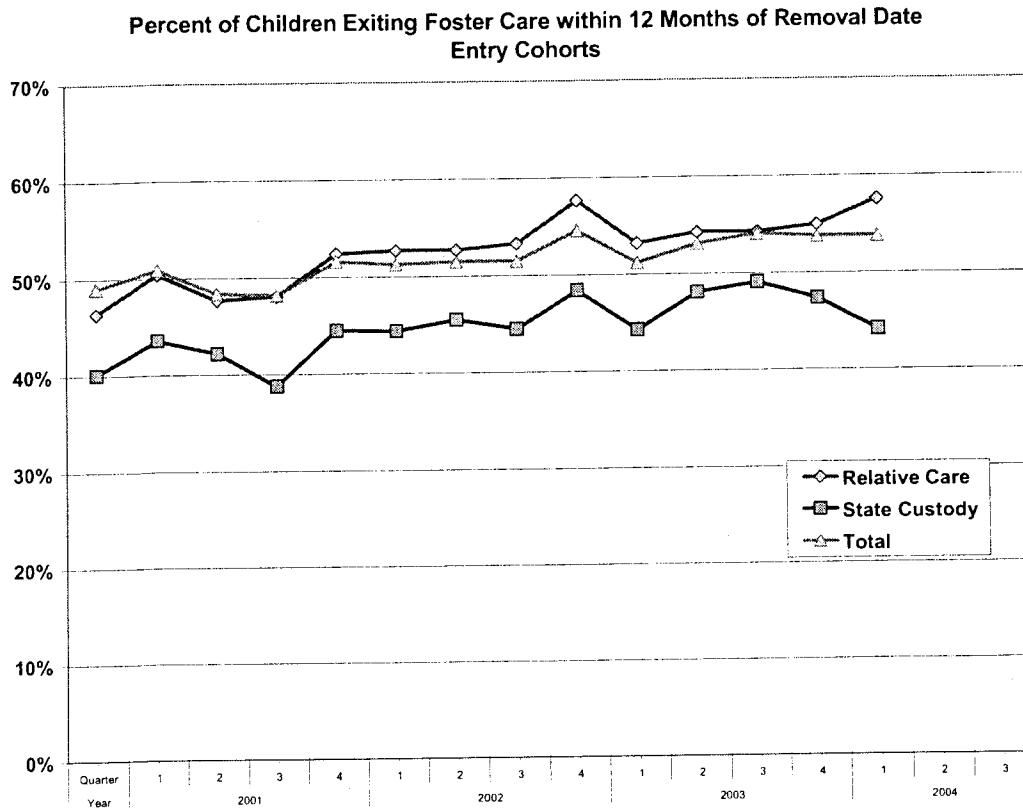
To determine success, Florida may include the following outcome measures:

- Children exiting foster care within 12 months of removal
- Reduction in children remaining in foster care after 12 months
- Reduction in median length of stay in foster care
- Increase in percentage of children adopted in 24 months

The following charts represent these permanency outcome measures that may be used to measure project success. As the evaluation planning proceeds, the external evaluation team will assist in refining the set of indicators to be used (including adding system-level indicators).

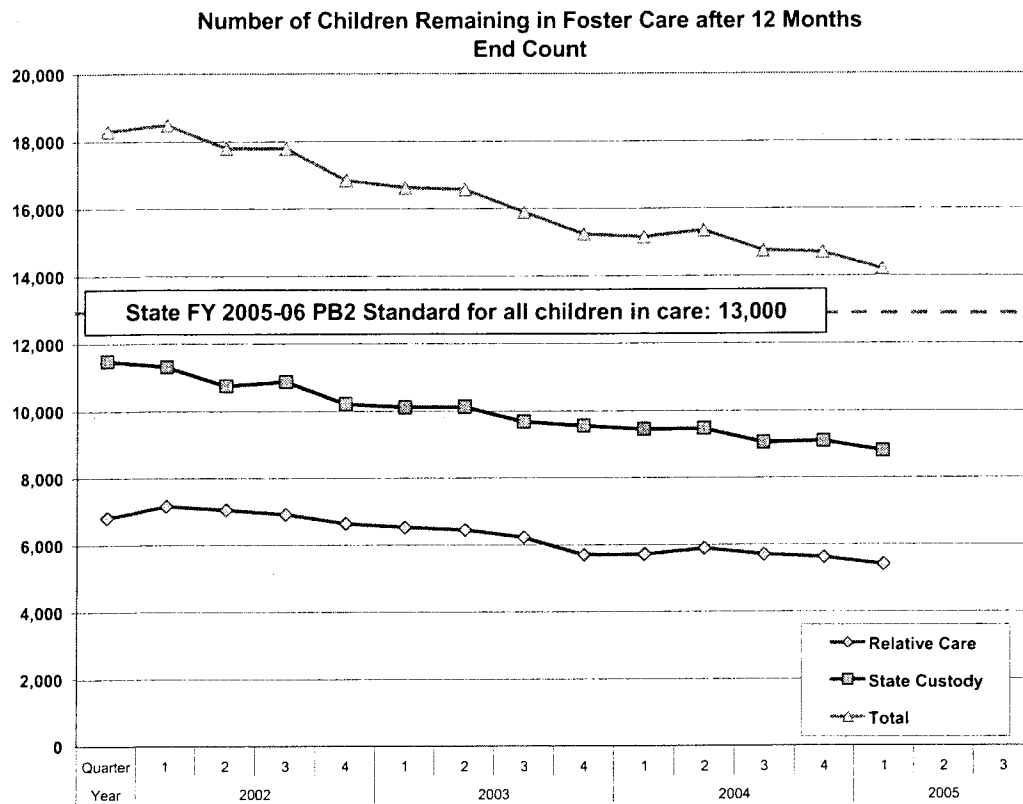


**Figure 7. Outcome: Timely Permanency (Exit Within 12 Months)**



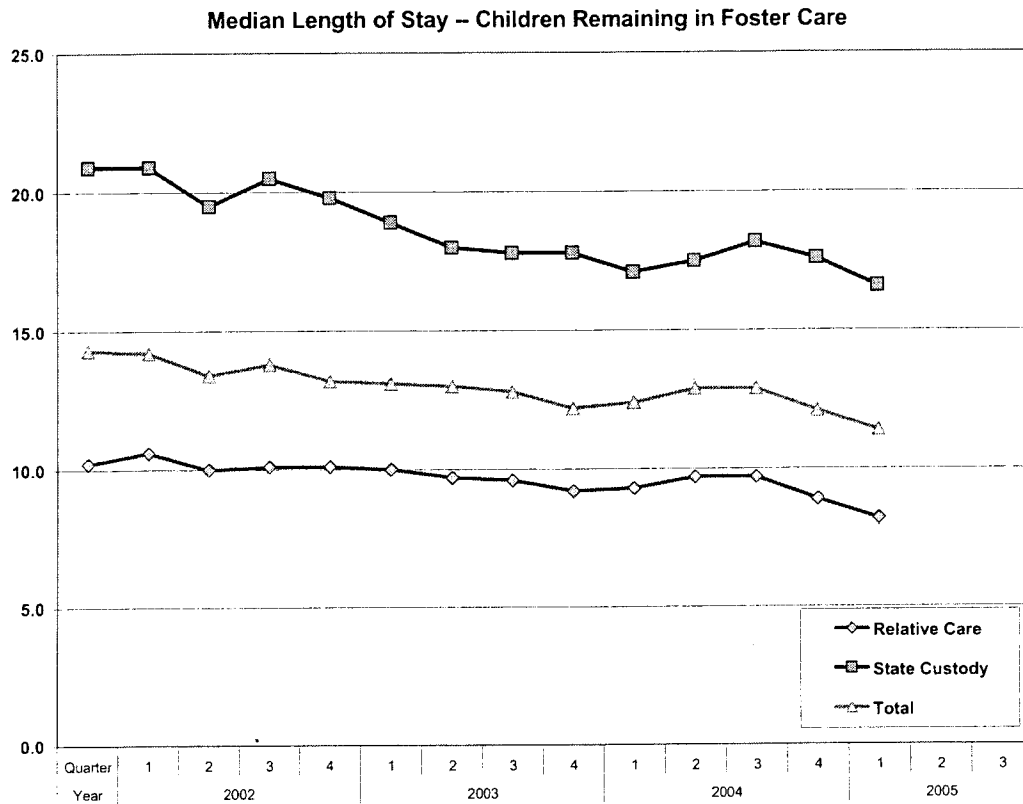
Source: HSn Report "Children Exiting Out-of-Home Care within 12 Months"

**Figure 8. Outcome: Timely Permanency (After 12 Months)**



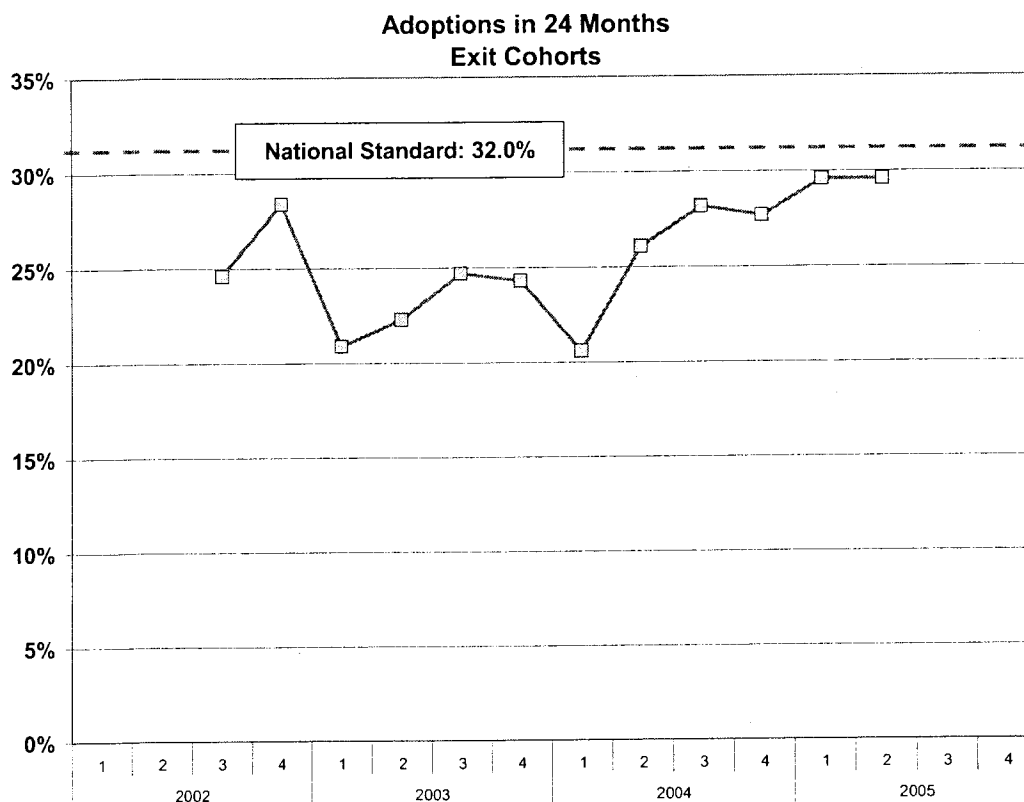
Source: HSn Report "Children in Out-of-Home Care by Time in Care"

**Figure 9. Outcome: Timely Permanency (Median Length of Stay)**



Source: HSn Report "Children in Out-of-Home Care by Time in Care"

**Figure 10. Outcome: Timely Permanency (Adoption in 24 Months)**



Source: HSn Reports "Children Adopted Within 24 Months" and "Children Reunified Within 24 Months"

Additional indicators that monitor the effects of the demonstration project on safety and well-being will be included in the evaluation design, to reduce the possibility of unintended adverse consequences.

### III. Project Evaluation

#### A. Hypotheses to be Tested

There are three primary hypotheses that the evaluation of the proposed demonstration project will address:

- *Flexible funding will improve child and family outcomes.*
- *Use of title IV-E funds for a broader array of services and increased eligibility of children will cost no more than deep-end services.*
- *Administering title IV-E funds will be less expensive if restrictions on eligibility and service type are removed.*

## B. Evaluation Plan

An independent evaluation will be conducted by an experienced evaluation organization under contract to the department. The evaluation team selected will be involved in formative as well as summative phases of the evaluation. That is, the state will call upon the team's evaluation expertise to assist throughout program design and implementation of the demonstration project as well as to report on final project results.

The nature of this demonstration project, by definition, does not accommodate an experimental vs. control group evaluation design. Statewide access to flexible funding without artificial limitations regarding client type or geographic location is a key element of the project as proposed. Success of this project will be demonstrated through certain pre-post comparisons and by evidence of statewide success maintained or achieved on relevant federal measures, with cost containment and risk mitigation as appropriate.

The evaluation will be based on a detailed logic model of the program, which will be developed by the department in consultation with relevant stakeholders and subject matter experts, facilitated by the evaluation team. A proposed logic model structure is shown in Figure 11.

Figure 11. Logic Model for the Florida Child Welfare Demonstration Project 2005/06<sup>5</sup>

Inputs/ Resources	Program Activities				Outputs	Outcomes
--Intake: Reports of abuse or neglect of children not in currently active cases --Available services, staff, and funds	<b>Diversion:</b> --Immediate relief from short-term family stressors --Family support identification	<b>Placement:</b> --In home --Relative care --Licensed care	<b>Services for Safety, Permanency, and Well-Being:</b> --reunification --adoption --independent living --foster parent supports --etc.	<b>Follow-Up:</b> --extended family support --post legal adoption --young adult services for former clients	--Number of families reunified --Number of children adopted --Number of families preserved intact	--Timely permanency --Placement diversion --Safety maintained --Placement stability increased --Reentry avoided --child, young adult and family satisfaction increased

There are system-level, family-level, and individual aspects of the proposed demonstration project. For each aspect, different evaluation questions will be addressed in the components of outcome, process, and cost-benefit. A mixed-methods evaluation model will be used, to address the following key questions. Other evaluation questions will be developed with the contracted evaluation team based on available resources at project initiation.

<sup>5</sup> Based on W.K. Kellogg Foundation "Logic Model Development Guide" updated Dec. 2001, from <http://www.wkkf.org/Pubs/Tools/Evaluation/Pub3669.pdf>

**Table 2. Evaluation Questions and Methods**

<b>Evaluation Question</b>	<b>Proposed Methods<sup>6</sup></b>
<b>Outcomes</b>	
Are children placed in permanent families more quickly?	Analysis of performance data
Are participants satisfied with the services?	Interview, survey
Were participants engaged in planning and decision-making?	Interview, survey, observation, document review, analysis of case data
Has child safety been maintained?	Analysis of performance data
Has child well-being increased?	Analysis of performance data
<b>Process</b>	
Did caregivers participate as expected, and is this documented?	Interview, document review, observation
Was the program implemented as planned?	Interview, document review, observation
Were assessments conducted and appropriate interventions planned to match family needs on this basis?	Interview, document review
Did the capacity of the system to provide appropriate intervention increase?	Interview, document review
Were appropriate services provided to families as planned?	Interview, document review, analysis of case data
<b>Cost Effectiveness</b>	
How much did the program cost for various levels/types of intervention?	Analysis of fiscal data, document review
What was the relationship of cost to results?	Analysis of fiscal data, document review

Meta-analysis and/or data triangulation from various information sources will also be used; for example, the federal Child and Family Services Review data, and the annual evaluations of community-based care per s. 409.1671, Florida Statute.<sup>7</sup>

The department is strongly convinced that this project will show significant benefits for families. To demonstrate these benefits, the evaluation team will be asked to determine at key milestone points (such as, end of first full implementation year) whether the performance expectations meet or exceed planned levels on the most important family-level outcomes. However, the department will also carefully monitor any unintended consequences or unforeseen external factor effects (for example, costs due to overuse of particular service types or natural disasters such as the 2004 hurricanes) and use them to identify any need for reexamining the ability of the state to continue the demonstration project.

#### **IV. Cost Neutrality and Proposed Fiscal Model**

In order to achieve the objective of testing a fully modernized model for child welfare funding, cost neutrality must be considered in a much broader methodology than in historical demonstration projects. In general terms, Florida proposes to calculate the total amount of expected title IV-E expenditures for future years in order to estimate the amount of federal

<sup>6</sup> Note that data from the HomeSafenet (FL SACWIS) system will be used, as well as any other relevant quality assurance information.

<sup>7</sup> See evaluations on <http://www.dcf.state.fl.us/publications/pubs.shtml#cbc>

funding that will represent cost neutrality. These projected annual amounts will be used to provide the range of system interventions described in this proposal.

### ***A. Estimate of Future Federal Earnings***

This estimate includes consideration of:

- Trends in the federal title IV-E portion of foster care expenditures for Florida;
- Estimated national expenditure trends;
- Growth of the number of children in Florida compared to national growth in children; and
- Contingencies related to unanticipated factors outside the state's control.

For each of these areas, the state will summarize the currently available information and will base its estimates on this information.

### ***B. Florida Title IV-E Expenditure Trends***

Federal foster care expenditures are reported quarterly in five categories:

**Maintenance assistance payments.** This includes foster care room and board payments.

**Administration.** While this category of expenditures is generally referred to as "administration," it includes a variety of functions. The majority of expenditures in Florida reflected in this category are for case planning and management. This category also includes pre-placement activities, eligibility determinations, SACWIS operational costs (not SACWIS project or development costs), and other administration costs. The key distinction between this category of expenditures and maintenance assistance payments is that maintenance assistance payments is matched at the federal medical assistance rate (FMAP) while "administration" is matched at a 50% rate.

**SACWIS.** This category includes expenditures for an approved SACWIS development (currently, 50% match rate). This category does not include ongoing maintenance and operational costs of a SACWIS system. These are reported under the "administration" category.

**State and Local Training.** This category of funds includes training activities which are matched at 75% federal funds for state staff, and 50% for staff in private agencies contracted to the state.

**Demonstration Projects.** This category includes expenditures for federally approved demonstration projects. Florida does not have any expenditures in this category.

The following table shows the expenditures in these categories for the 14 quarter period from October 1, 2001 through March 31, 2005.

**Table 3. Federal Foster Care Expenditures By Expenditure Category by Quarter**

Quarter Ending	Maintenance Assistance Payments	Administration	SACWIS Development Costs	Training	Demonstration Projects	Total
12/31/01	6,532,790	24,755,494	5,543,179	1,928,779	0	38,760,242
3/31/02	7,705,692	16,103,718	740,445	1,304,152	0	25,854,007
6/30/02	6,802,804	20,144,103	3,958,114	1,422,721	0	32,327,742
9/30/02	6,462,428	18,208,611	3,754,201	1,429,474	0	29,854,714
12/31/02	8,325,624	12,162,845	3,864,447	1,878,721	0	26,231,637
3/31/03	6,937,492	11,383,477	3,337,801	1,328,560	0	22,987,330
6/30/03	6,281,691	12,744,120	3,162,449	1,554,841	0	23,743,101
9/30/03	8,671,669	14,973,947	3,223,438	810,854	0	27,679,908
12/31/03	9,722,290	18,780,816	1,909,247	1,481,423	0	31,893,776
3/31/04	11,919,639	19,210,446	1,385,511	1,661,429	0	34,177,025
6/30/04	10,597,238	15,421,547	869,116	1,914,834	0	28,802,735
9/30/04	16,714,328	24,244,720	1,600,063	747,505	0	43,306,616
12/31/04	12,668,127	21,374,502	1,160,399	805,025	0	36,008,053
3/31/05	11,701,103	20,958,406	1,503,146	670,831	0	34,833,486

Based on these past quarterly expenditures, the department can project the expenditure trend for future years. Consistent with our understanding of the Administration's Child Welfare Program Option, the SACWIS Development Costs have been excluded for these projections.

The projections were made using an Ordinary Least Squares estimation model. Expenditures are estimated to increase from \$34.0 million in the quarter ending 6/30/05 up to \$49.2 million in the quarter ending 9/30/10 (the anticipated end of the project). See Appendix A. Projection of Foster Care Expenditures on page 29. Based on these projections, the department can reasonably expect Florida's federal title IV-E foster care funding for federal fiscal years 2006 through 2010 to be the amounts shown in the following summary table. Note that these funds do not include SACWIS Development Costs, title IV-E adoption funding or Independent Living funding.

**Table 4. Projected Earnings**

Federal Fiscal Year	Projected Federal Funds
2006	\$146,172,675
2007	\$157,721,304
2008	\$169,269,932
2009	\$180,818,560
2010	\$192,367,189
<b>Total Five Year Estimate</b>	<b>\$846,349,660.00</b>

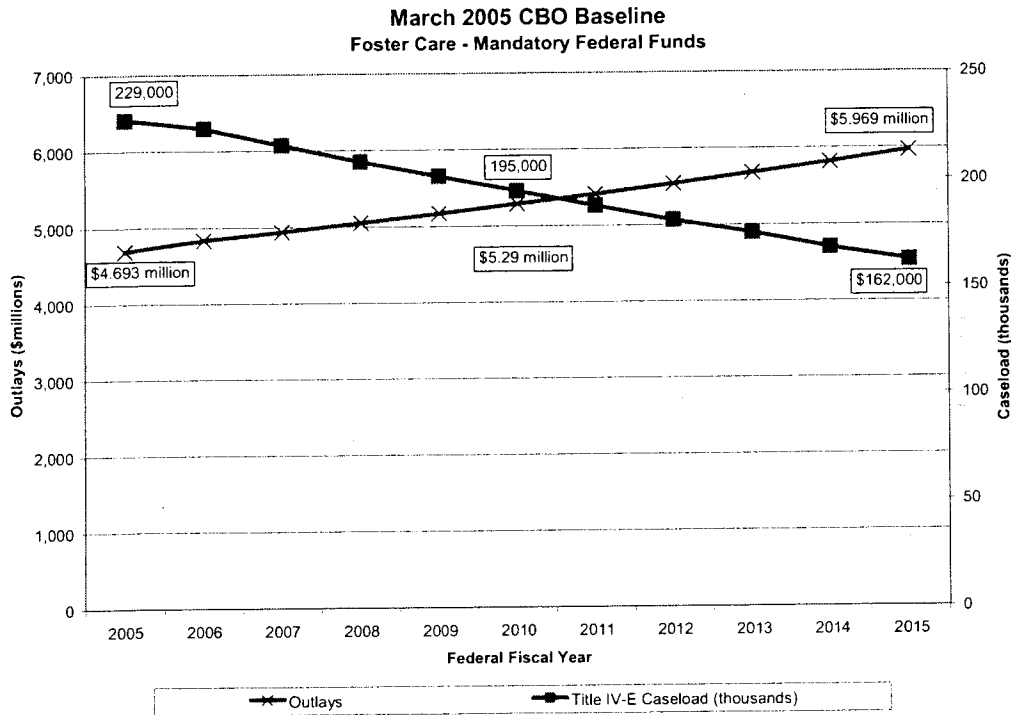
### ***C. Comparison With National Trends***

The Congressional Budget Office (CBO) maintains a baseline ten-year estimate of the foster care caseload and title IV-E foster care federal expenditures. These baselines are used in estimating the cost impact of proposed federal legislation. The March 2005 CBO baseline and the contrast in caseload projections vs. outlays are shown in Figure 12.



CBO estimates that over the ten year period from 2005 through 2014, the national caseload will drop from 229,000 to 162,000 while the outlays (expenditures) will increase from \$4.784 billion to \$5.969 billion. While this level of increase in projected expenditures exceeds the Florida projections shown above, the pattern of anticipated increases is consistent, particularly when Florida's status as a growth state is considered.

**Figure 12. Congressional Budget Office Baseline**



### ***D. Conclusions and Implications***

Based on these data, Florida's title IV-E federal foster care expenditures can be expected to increase over the next five years at a rate similar to national projections.

Nationally, CBO expects the foster care caseload to decline while federal expenditures continue to increase. **Florida's risk of increased expenditures is greater than the national trends because of the disproportionate increase in the number of children in the state.**

Based on the best available information, it is reasonable to expect that the five year federal cost neutrality estimate for Florida for FFY 2006 through 2010 will equal \$846.35 million. This includes title IV-E funding for foster care except for funding for SACWIS project development. Adoptions and other child welfare funding are excluded from this proposal.

## **V. Statutory and Regulatory Requirements**

As stated in the overview section, this proposal requests that the Secretary waive the following provisions of the Social Security Act, as amended, in order to permit the State to conduct the demonstration:

- Section 470, related to eligibility for assistance;
- Section 471(a)(1), related to foster care payments;
- Section 471(a)(5), related to program administration;
- Section 472 except that children in foster care shall continue to eligible for Medicaid under Title XIX and shall continue to be considered a dependent child for purposes of Title XX, consistent with the provisions of section 472(h)(1);
- Section 474(a)(1), related to foster care maintenance payments;
- Section 474(a)(3), related to foster care administration but excluding section 474(3)(C) related to planning, design development or installation of a SACWIS project; and
- Section 474(b)(1), related to quarterly payments to the State, to the extent such provisions are inconsistent with the proposed demonstration project.

## **VI. Related Projects Underway in Florida**

The department is not aware of any demonstration projects underway in Florida that would be adversely affected by this proposal.

## **VII. Automated Child Welfare System**

As stated in this proposal, the demonstration funding will include foster care administration which includes SACWIS maintenance and operation funding. SACWIS project development costs are not included in the scope of this demonstration.

## **VIII. Public Input**

The legislation that created Florida's system of Community Alliances and Community-Based Care laid the foundation for public input into all proposed initiatives and activities involving the state's responsibilities for the safety and well-being of its children. This framework provides an integral, ongoing means for obtaining public input on any significant activity within the child welfare system.

- Community Alliances The department shall, in consultation with local communities, establish a community alliance of the stakeholders, community leaders, client representatives and funders of human services in each county to provide a focal point for community participation and governance of community-based services. ...All alliance meetings are open to the public pursuant to s. 286.011, F.S. and the public records provision of s 119.07(1), F.S.. (ch. 20.19, F.S.)

- It is further the Legislature's intent to encourage communities and other stakeholders in the well-being of children to participate in assuring that children are safe and well-nurtured. (s. 409.1671(1) (a), F.S.)

The legislative authority provided basis for a set of guiding principles for Community-Based Care. Those principles stress openness, public input and active participation and are adhered to for all program planning. Among these principles are:

- The care of dependent children and assistance to their families must be a community responsibility involving critical partners...
- The system of care must be designed using an inclusive and participatory planning process.
- All stakeholders will continually be brought together with the intention of developing a common planning and implementation process of Community-Based Care.

Thus much of the drive for this waiver request results from the public—as they are represented on the Community Alliances and Community-Based Care Boards of Directors—and their efforts to provide the best services possible under restrictive funding and inflexible rules.

Specifically, the department and the Community-Based Care lead agencies established work groups and a schedule of regular work sessions to develop strategies for resolving some of the most intractable issues involving the care of dependent children and assistance to their families. The waiver request is the product of this collaboration; and it is being shared with all 33 Community Alliances and all 22 Lead Agency Boards as well as the broader advocate community.

In addition, the department will place a notice of the waiver request submission in the Florida Administrative Weekly along with a statement that any member of the public has a right to submit comments and/or request a hearing on the content. The request will also be posted on the department's My Florida Internet site for a minimum of 30 days for comment by the public.

## **IX. General Assurances**

### **A. Court Orders**

The department is not aware of any court orders in effect in the State by which a court has determined that the child welfare program failed to comply with State child welfare laws, title IV-E or IV-B, or the Constitution.

### **B. Local and Judicial Cooperation**

Local Department of Children and Families administrators and Community-Based Care Lead Agencies strongly support this proposal. The proposal has been developed with input from these stakeholders. Because the proposal will increase flexibility in permitting local programs in meeting the needs of children and families, the department expects all components of the child welfare system, including the judiciary to be fully supportive and cooperative.

***C. Health insurance***

Florida currently provides Medicaid coverage to children in foster care. Under this demonstration, all children in foster care will continue to be eligible for Medicaid, as under current law. The State further provides assurance that health insurance will continue to be provided for all special needs children for whom there is an adoption assistance agreement.

## Appendix A. Projection of Foster Care Expenditures

Actual and Estimated Expenditure Projection, Federal Fiscal Years 2002 through 2010.  
(Excluding SACWIS Project Costs)

Quarter Ending	Actual Expenditures w/o SACWIS	Estimated	FFY Actual	FFY Estimated	Percentage Growth based on estimated
12/31/01	33,217,063				
3/31/02	25,113,562				
6/30/02	28,369,628				
9/30/02	26,100,513		112,800,766		
12/31/02	22,367,190				
3/31/03	19,649,529				
6/30/03	20,580,652				
9/30/03	24,456,470		87,053,841		
12/31/03	29,984,529				
3/31/04	32,791,514				
6/30/04	27,933,619				
9/30/04	41,706,553		132,416,215		
12/31/04	34,847,654				
3/31/05	33,330,340				
6/30/05		34,016,906			
9/30/05		34,738,696		134,624,047	
12/31/05		35,460,485			
3/31/06		36,182,274			
6/30/06		36,904,063			
9/30/06		37,625,853		146,172,675	8.6%
12/31/06		38,347,642			
3/31/07		39,069,431			
6/30/07		39,791,221			
9/30/07		40,513,010		157,721,304	7.9%
12/31/07		41,234,799			
3/31/08		41,956,588			
6/30/08		42,678,378			
9/30/08		43,400,167		169,269,932	7.3%
12/31/08		44,121,956			
3/31/09		44,843,745			
6/30/09		45,565,535			
9/30/09		46,287,324		180,818,560	6.8%
12/31/09		47,009,113			
3/31/10		47,730,903			
6/30/10		48,452,692			
9/30/10		49,174,481		192,367,189	6.4%

# ***Update on MEDS-AD Policy Changes***

## ***House Health Care Appropriations Committee***

***January 12, 2005***

***Sybil M. Richard***

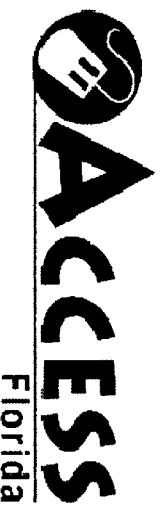
*Assistant Deputy Secretary for Medicaid Operations*

*Agency for Health Care Administration*

***Don Winstead***

*Deputy Secretary for the*

*Department of Children and Families*



# ***MEDS-AD Program***

Prior to January 1, 2006

- ❖ *MEDS-AD (Medicaid Aged and Disabled) program extends Medicaid benefits to an optional eligibility group.*
- ❖ *Program began in 1987.*
- ❖ *Full range of Medicaid covered services available.*
- ❖ *In 2002, the qualifying Federal Poverty Limit (FPL) was decreased to 88% of FPL.*
- ❖ *Approximately 125,000 individuals were eligible.*
- ❖ *Medicaid is the payor of last resort.*

# ***MEDS-AD Program***

## **Prior to January 1, 2006**

- ❖ *Eligibility:*
  - *at least 65 years old or disabled;*
  - *income up to 88% FPL; and*
  - *assets not exceeding \$5,000 individual and \$6,000 couple.*



# ***MEDS-AD Program***

## **Changes as of January 1, 2006**

- ❖ *Section 409.904 F.S., revised to eliminate MEDS-AD eligibility under the state plan as of January 1, 2006.*
- ❖ *Requires the state to seek a waiver to continue to provide coverage for individuals:*
  - *who are not also eligible for Medicare; and*
  - *dual eligibles who are institutionalized, in hospice, or receiving home and community based waiver services.*

# ***MEDS-AD Program***

**Changes as of January 1, 2006**

- ❖ *Medicaid continues to cover, cost sharing (premiums and deductibles) for eligibles who still qualify as QMB eligible.*
- ❖ *This policy change is expected to save the state approximately \$84.7 million in recurring funding.*

# ***MEDS-AD Waiver Program***

- ❖ *Pursuant to 409.904 F.S., the Agency is required to seek a waiver to continue coverage for the new MEDS-AD population.*
- ❖ *Only an 1115 research and demonstration waiver can be used to waive eligibility requirements.*
- ❖ *Waivers must be cost neutral and demonstrate innovative service concepts.*

# ***MEDS-AD Waiver Program***

## **Status**

- ❖ *Waiver submitted to CMS on August 16, 2005, to expand eligibility to those allowed under 409.904 F.S.*
- ❖ *Approved by CMS November 22, 2005.*
- ❖ *Intended to demonstrate the effectiveness of a high-intensity pharmaceutical management program for those receiving six or more prescribed drugs.*
- ❖ *Approximately 38,000 recipients are eligible for the MEDS-AD waiver.*

# ***MEDS-AD Waiver Program***

## **High Intensity Pharmacy Case Management**

- ❖ *Applies to MEDS-AD enrollees receiving 6 or more prescription drugs.*
- ❖ *Provides for a comprehensive review of client's drug regimen by a multi-disciplinary team and plan developed, if indicated, to improve medical effectiveness.*
- ❖ *Team will be composed of a physician pharmacist, pharmacist, physician specialist for the person's primary diagnosis and any physicians who prescribe for the enrollee.*

# ***MEDS-AD Waiver Program***

## **Special Terms and Conditions**

- ❖ *Will provide a full range of Medicaid covered services to enrolled beneficiaries.*
- ❖ *Cost sharing and co-payments will be maintained as in the state plan.*
- ❖ *State required to notify participants of eligibility changes implemented under the new demonstration (including the fact that they are enrolled in a demonstration waiver).*
- ❖ *Intended to demonstrate the effectiveness of a high-intensity pharmaceutical management program for those receiving six or more prescribed drugs.*
- ❖ *State required to conduct an evaluation of the impact of the new MEDS-AD program.*

# ***Notification Status***

- ❖ *AHCA worked with the Department of Children and Families to identify affected beneficiaries and to coordinate outreach and education about the policy changes.*
- ❖ *Community based long term care provider assistance was requested to identify those who would be eligible because they were enrolled in a home and community based waiver .*
- ❖ *Each recipient received informational notices about the changes as well as specific notices related to changes in their benefits.*

# **MEDS-AD**

## ***Eligibility Update***

***Department Of Children and Families***

***Don Winstead, Deputy Secretary***

***January 12, 2006***





# ***MEDS-AD Eligibility Criteria***

## **2005**

1. *Age 65 or older or disabled,*
2. *Income at or below 88% of the Federal Poverty Level, and*
3. *Assets up to \$5,000 (\$6,000 for a couple)*

## **2006**

1. *Same*
2. *Same*
3. *Same*

***AND***

4. *Not receiving Medicare, or*
5. *Eligible for special programs that provide or prevent institutionalization.*

# ***MEDS-AD 2006***

## **Special Programs that Qualify Under the New Program**

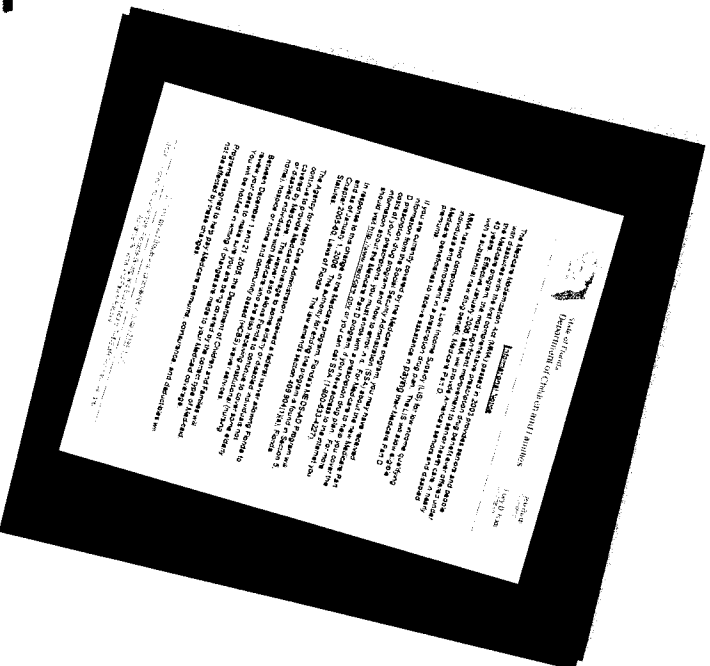
- ❖ *Institutional Care (Nursing Home)*
- ❖ *Hospice*
- ❖ *Home and Community Based Services waiver*
- ❖ *Program for All Inclusive Care for the Elderly*
- ❖ *Receiving assistive care services from certain licensed facilities*

# ***MEDS-AD 2006 Conversion Process***

- ❖ *Data matching*
  - *Agency for Health Care Administration (AHCA)*
  - *Centers for Medicare & Medicaid Services (CMS)*
- ❖ *Outreach with Service Providers*
- ❖ *Determination of Eligibility Under Other Medicaid Programs*

# ***MEDS-AD 2006 Notifications***

- ❖ *Informational Notice Explaining Changes*
- ❖ *Eligibility Changes (legally required – not later than December 20)*



# Examples

# Definitions

- ❖ *Qualified Medicare Beneficiary (QMB)*
  - *Limited Medicaid program*
  - *Pays Medicare premiums, co-insurance, deductibles*
  - *Income limit = 100% of federal poverty level*
- ❖ *Low Income Subsidy (LIS)*
  - *Medicare Part D benefit*
  - *Pays Part D deductible, premiums and reduces the co-payments*

# Example 1

- ❖ *Mr. A, age 72, has Medicare, income of \$700 monthly and lives independently in the community.*

<b>MEDICAL SERVICE</b>	<b>2005 PAID BY</b>	<b>2006 PAID BY</b>
<b>HOSPITALIZATION</b>	<b>MEDICARE AND QMB</b>	<b>MEDICARE AND QMB</b>
<b>PHYSICIAN CARE</b>	<b>MEDICARE AND QMB</b>	<b>MEDICARE AND QMB</b>
<b>PRESCRIPTION DRUGS</b>	<b>MEDICAID (MEDS-AD)</b>	<b>MEDICARE AND LIS</b>

Notices:

- ❖ *Informational*
- ❖ *Medicaid closure*
- ❖ *QMB continuation*
- ❖ *Medically Needy enrollment with \$500 Share of Cost*

## Example 2

- ❖ Mrs. B, age 85, has Medicare, income of \$700 monthly, assets that do not exceed \$2000 and was directly enrolled in a Home and Community Based Services (HCBS) waiver program.

MEDICAL SERVICE	2005 PAID BY	2006 PAID BY
HOSPITALIZATION	MEDICARE AND QMB	MEDICARE AND QMB
PHYSICIAN CARE	MEDICARE AND QMB	MEDICARE AND QMB
PRESCRIPTION DRUGS	MEDICAID (MEDS-AD)	MEDICARE AND LIS
HOME AND COMMUNITY BASED SERVICES	MEDICAID (MEDS-AD)	MEDICAID (HCBS Waiver)

### Notices:

- ❖ Informational
- ❖ QMB continuation
- ❖ Medicaid closure
- ❖ HCBS Medicaid approval



## Example 3

- ❖ Mrs. C, age 85, has Medicare, income of \$700 monthly, assets that do not exceed \$5000 and was directly enrolled in an HCBS waiver program.

<b>MEDICAL SERVICE</b>	<b>2005 PAID BY</b>	<b>2006 PAID BY</b>
<b>HOSPITALIZATION</b>	<b>MEDICARE AND QMB</b>	<b>MEDICARE AND QMB</b>
<b>PHYSICIAN CARE</b>	<b>MEDICARE AND QMB</b>	<b>MEDICARE AND QMB</b>
<b>PRESCRIPTION DRUGS</b>	<b>MEDICAID (MEDS-AD)</b>	<b>MEDICARE AND LIS</b>
<b>HOME AND COMMUNITY BASED SERVICES</b>	<b>MEDICAID (MEDS-AD)</b>	<b>MEDICAID (MEDS-AD waiver)</b>

Notices:

- ❖ Informational
- ❖ Medicaid continuation
- ❖ QMB continuation

## Example 4

- ❖ Mr. D, age 47, is disabled but not receiving Medicare. He has income of \$700 monthly and lives independently in the community.

MEDICAL SERVICE	2005 PAID BY	2006 PAID BY
HOSPITALIZATION	MEDICAID (MEDS-AD)	MEDICAID (MEDS-AD WAIVER)
PHYSICIAN CARE	MEDICAID (MEDS-AD)	MEDICAID (MEDS-AD WAIVER)
PRESCRIPTION DRUGS	MEDICAID (MEDS-AD)	MEDICAID (MEDS-AD WAIVER)

Notices:

- ❖ Informational
- ❖ Medicaid continuation

# ***People Affected***

**January 1, 2006**

**December 1, 2005**

